

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
FUEL CYCLE FACILITY OVERSIGHT
REVISION PROJECT
PUBLIC MEETING
THURSDAY
FEBRUARY 8, 2001

The Public Meeting was held in room 016B4,
One White Flint North, 11555 Rockville Pike,
Rockville, Maryland, at 10:00 a.m., Pat Castleman,
FCSS, presiding.

PRESENT:

CAROL ABBOTT	NRC/OCFO
DAVID AYRES	NRC/II/FFB
BILL BORCHARDT	NRC/OE
PAT CASTLEMAN	NRC/FCSS
YEN-JU CHEN	NRC/FCSS
JOHN CONNELLY	DOE EH-51
TOM COX	NRC/FCSS
CLIFTON FARRELL	NEI
BOB FREEMAN	FRAMATOME-ANP
NEILL HOWEY	IDNS

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

FELIX KILLAR	NEI
DAVE LOCHBAUM	UNION OF CONCERNED SCIENTISTS
CALVIN MANNING	FRAMATOME-ANP
MICHAEL MARKLEY	NRC/ACRS-ACNW
DENNIS MOREY	NRC
MONTE PHILLIPS	NRC/REGION III
BOB PIERSON	NRC/FCSS
MARIO ROBLES	USEC
STEVE SCHILTHEM	BWXT
TED SHERR	NRC/FCSS
STEVE SINGEL	DOE/EH-51
AUGUST SPECTOR	NRC
ROBERT STEVENS	DOE/EH-51
CHARLIE VAUGHAN	
ERIC WEISER	BPI/NWN
WALTER SCHWINK	NRC/FCSS
PAT HIGHLAND	NRC/RGN-III/DNMS

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

A-G-E-N-D-A

	<u>Page</u>
Overview of the Work Plan.....	99
Review of Comments Received to Date	19
Solicitation of Additional Comments/Views.....	67
Discussion of Plan Changes.....	89
Wrap Up of Work Plan Discussion.....	110
Review of Communication Plan Comments.....	110
Summary and Closing.....	142

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

P-R-O-C-E-E-D-I-N-G-S

10:04 a.m.

MR. SHERR: If we can get started, please.

My name is Ted Sherr. I'm Chief of the Safety and Safe Barracks Support Branch. I welcome you. Thank you for attending the meeting. This is the eight public stakeholder meeting of the fuel cycle revised oversight program.

The meeting is scheduled to go to 1:00. There's been some indication of interest to try to conclude the meeting by 12:30 to allow people to eat before the next meeting is convened. We'll try to do that to the extent possible. I hope that won't be a problem.

This meeting provides the opportunity to explain the team, public, and other stakeholder views on NRC's revision of the oversight program on fuel cycle facilities. Stakeholder views are very important to NRC and have had a substantial impact on the program developments to date.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 In developing the oversight program NRC is
2 striving to improve both the efficiency and the
3 effectiveness of NRC's oversight activities
4 commensurate with and maintaining adequate risks,
5 safety and safeguard risks of acceptable levels.

6
7 Hopefully you've gotten copies of the
8 various information that's been provided there, one
9 of which is the agenda for the meeting. The agenda
10 will include an overview of the work plan, the
11 review of the comments that have been received to
12 date which have come from the Nuclear Energy
13 Institute, solicitation of any additional comments
14 that participants may have.

15 Then we'll discuss the work plan, changes
16 for the work plan in light of those comments. We'll
17 wrap up those discussions and then review comments
18 on the communication plan. Then we'll have a
19 summary and closing of the meeting.

20 Just to remind everyone, John is serving
21 us here by recording the meeting. When you speak,
22 please identify yourself and speak clearly and
23 hopefully the mike system will be sufficient.
24 Otherwise, John will remind us to speak up a little

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 bit.

2 This meeting is in a workshop format to
3 facilitate outcomes. The particular outcomes of
4 this meeting are to, one, improve our understanding
5 of comments that have been provided to date, as well
6 as any additional comments that might be made,
7 perhaps to reach alignment on stakeholder views, and
8 perhaps consensus.

9 To facilitate communications we have had
10 established for quite some time now a web site and
11 e-mail list for exchanging of information. We have
12 developed a communication plan which is one of the
13 subjects of this meeting.

14 We encourage you to sign up on the sign-up
15 sheet that's going around, if you haven't done so
16 already, to identify your e-mail address so we can
17 improve on those communications.

18 Also, I think you may have been provided
19 already the feedback forms. The feedback forms were
20 developed by NRC in relation to the strategic goal
21 and public confidence to solicit feedback from
22 participants on the effectiveness of NRC's outreach
23 programs including meetings, of course. We very
24 much welcome your feedback. If you could provide

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 that to us before you leave today, that would be
2 much appreciated.

3 If for some reason you don't feel that you
4 can make that assessment so quickly before you
5 leave, there is the opportunity to mail it back with
6 the business reply part of the form. It would be
7 helpful. The sooner we get it the better and that
8 would be helpful. We will closely review those
9 comments and share them with other units in NRC as
10 well.

11 Before we begin, it might be useful just
12 to go around the table and everybody introduce
13 themselves so we know who's here.

14 Pat, you want to start?

15 MR. CASTLEMAN: I'm Pat Castleman. I'm
16 the project manager for the fuel cycle oversight
17 program revisions. I'm in the division of Fuel
18 Cycle Safety and Safeguards.

19 MR. ROBLES: I'm Mario Robles. I'm with
20 Regulatory Affairs at the United States Enrichment
21 Corporation.

22 MR. PIERSON: Bob Pierson. I'm the Deputy
23 Director for Inside Safety and Safeguard.

24 MR. HOWEY: I'm Neill Howey from the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 Illinois Department of Nuclear Safety.

2 MR. KILLAR: I'm Felix Killar of the
3 Nuclear Energy Institute.

4 MR. SCHILTHEM: Steve Schilthem with BWXT
5 in Lynchburg.

6 MR. CONNELLY: John Connelly, DOE EH-51
7 Regulatory Affairs.

8 MR. STEVENS: Bob Stevens with the
9 Department of Energy, EH-51 Regulatory Affairs.

10 MS. CHEN: I'm Yen Chen with the Division
11 of Fuel Cycle Safety and Safeguards.

12 MR. MANNING: Calvin Manning, FRAMATOME-
13 ANP.

14 MR. FREEMAN: Bob Freeman with FRAMATOME-
15 ANP.

16 MR. FARRELL: Mr. Farrell with NEI.

17 MR. MARKLEY: Mike Markley, ACRS-ACNW.

18 MR. AYRES: Davis Ayres, NRC Region II,
19 Full Facility Branch.

20 MR. COX: Tom Cox, Fuel Cycle Licensing
21 Grant, FCSS.

22 MR. WIESER: Eric Wieser, BPI/NWN.

23 MR. BORCHARDT: Bill Borchardt, NRC Office
24 of Enforcement.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 MS. ABBOTT: Carol Abbott, NRC's Office of
2 the Comptroller.

3 MR. SPECTOR: August Spector, NRC/NRR.

4 MR. LOCHBAUM: Dave Lochbaum, Union of
5 Concerned Scientists.

6 MR. SINGEL: Steve Singel, Department of
7 Energy EH-51, Regulatory Affairs.

8 MR. PHILLIPS: Monte Phillips. I'm with
9 the Region III Office with the Fuel Cycle Branch.

10 MR. SHERR: Again, thank you for
11 participating in the meeting today.

12 Before we commence with the agenda, are
13 there any matters that we need to reconsider before
14 we do that? If not, Ted Castleman, who together
15 with Monte Phillips and David Ayres are the NRC
16 staff responsible for the oversight program
17 revision. We'll commence with the first agenda
18 item, overview of the work plan.

19 MR. CASTLEMAN: Good morning. Thank you
20 all for coming. Before actually going into an
21 overview of the work plan, I very briefly wanted to
22 just review the December 20th Commission meeting.

23 December 20th staff and stakeholders
24 briefed the Commission. Many of you were there or

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 have had a chance to observe the Commission meeting
2 on the web. That Commission meeting pretty much
3 outlined what the staff presented as an information
4 paper to the Commission, SECY-00-0222.

5 I put on the table a copy of the slides
6 that we used just for background information. I
7 don't want to go into any more detail than that.
8 I'm assuming that we're all pretty much up to speed
9 on the general structure of the program and the
10 general direction we're going.

11 As a result of the Commission meeting, the
12 Commission issued a staff requirements memorandum.
13 That was issued on January 17. It detailed a number
14 of things that the staff needs to proceed on. The
15 bulk of it had to do with public outreach. I don't
16 really want to go into that either.

17 What the Commission did say is that they
18 didn't object to the proposal that we put on the
19 table and the outline and the structure and so forth
20 of the direction we were proceeding.

21 Based on that, we are just going to kind
22 of move forward. That doesn't mean that there's no
23 flexibility. If there was no flexibility, we
24 wouldn't be having this meeting.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 With that as background, I really wanted
2 to just launch into an overview of the structure of
3 the work plan. Copies of the work plan are also
4 there at the front of the table.

5 To a large extent we've taken care of most
6 of the things that are on page 1 of the work plan.
7 One of the things that remains hanging is to develop
8 the common defense and security oversight
9 cornerstones.

10 As a result of the last public meeting we
11 had back in September NRC and NEI and stakeholders
12 needed to get together with the right people to
13 develop or put the meat on the bones of the common
14 defense and security oversight cornerstones. That's
15 something that I would like to, at least, come out
16 of this meeting with a plan to address that and get
17 that ball moving in the near term.

18 The next issue here which is right at the
19 top of the second page is line item No. 11, and that
20 is licensee problem identification resolution
21 corrective action programs. This is, to my mind, in
22 the near term is really the highest priority item.
23 We need to come to some kind of understanding of
24 corrective action program structure and so forth.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 This dovetails very well with the Part 70
2 management measure requirement. Of course,
3 effective corrective action programs, as we said in
4 the December 20th meeting, are the -- how can I say
5 it? They are an essential ingredient to this new
6 revised oversight process.

7 Without an effective corrective action
8 program, the process isn't going to go as far as it
9 needs to go in terms of realizing the benefits in
10 terms of efficiency and effectiveness and so forth.

11 After that, one of the next things we need
12 to do is develop a significance determination
13 process. This will be a process by which we would
14 be able to evaluate inspection findings and events
15 and possibly enforcement and so forth so that we can
16 gauge our response or come up with a consistent
17 response to events that happened at the plants or
18 inspection findings that are identified at the
19 plants.

20 The way I see it, what we need to do is
21 piggyback on the work that NRR has done already.
22 For example, they recently developed a fire safety
23 significance determination process and there are
24 several others that might be amenable to adaptation

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 for our use.

2 Significance determination also is
3 something that would be a useful tool both for the
4 NRC and also for our stakeholders to gauge what or
5 how much -- what focus and how many resources we
6 should devote to inspecting at individual plants.
7 Where should we look and so forth.

8 Where I'm going with this is once we
9 develop this kind of significance determination
10 process and implement it, it's going to play right
11 into the revisions to the licensee performance
12 review which is the overall assessment.

13 This, I believe, is going to be part and
14 parcel of the proposals that NEI has put on the
15 table. We can talk about that in terms of this
16 meeting. I think that is also something that we
17 need to kind of get moving on in the near term.

18 The next item is item No. 15. That's the
19 inspection program. Actually 14 and 15. I don't
20 want to just spend time reading out loud here. I
21 think you all can do that.

22 But in terms of the inspection program,
23 bottom line is we want to make sure -- we want to
24 risk inform as much as possible which means that

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 we're going to direct our inspectors to look at
2 those things that are going to be most risk
3 significant in terms of public health and safety and
4 also in the common defense and security.

5 Now, the inspection program restructuring
6 is going to be more along the lines of the
7 cornerstones that have been set up. As a practical
8 matter in what you all see out at the plants, you're
9 not going to see that much difference in terms of
10 our inspectors are going to be there, or in terms of
11 the fact that our inspectors will still be there.
12 They will be on site. They will be coming to visit.

13 The residents will be at those plants that
14 have residents and they are going to be implementing
15 their own inspection program. There will be some
16 changes in terms of the things they are going to
17 look at and the depth to which they will look at
18 them.

19 Again, the realignment of the inspection
20 program is part of our restructuring of the overall
21 assessment process. This way we'll be able to
22 organize things and roll them up. You know,
23 organize our inspection activities and be able to
24 roll them up when it comes times to do the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 performance assessments.

2 The other thing that will come out of this
3 is as we present public information, for example, on
4 the web site or in inspection reporting, it will be
5 more -- how can I say it? It will be a lot more
6 clearly organized so that people can, for example,
7 go to the web site and look at what's happening in
8 each cornerstone area of performance.

9 Of course, all those things lead to item
10 Nos. 16 and 17 which is NRC response to licensee
11 risk significance performance. Again, this is
12 basically the beginnings of the performance
13 assessment process.

14 What this pertains to is what actions is
15 the NRC going to take as a result of things that
16 come out of the events or inspections or so forth.
17 I'm just going to sort of hold up here this diagram
18 that we presented.

19 This is in the SECY paper. This is Figure
20 1. Then it is also in the handout. A simplified
21 version is in the handout that was provided at the
22 December 20 Commission meeting. That would be slide
23 No. 5.

24 Essentially the NRC response really is

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 this slide here, the arrow coming out the left.
2 It's almost a feedback loop. That's really what
3 this is. It's kind of a simplified system control
4 diagram, if you will. This is our feedback loop.

5 Really what this feedback is going to do
6 it's going to provide some kind of modification or
7 focusing. In some cases maybe even focusing on
8 additional resources on the baseline inspection
9 program. The baseline, of course, is that level of
10 inspection that each facility is going to receive.

11 Along with that, we are looking at some
12 changes to the enforcement policy. I don't, at this
13 point, think that the enforcement policy changes are
14 going to be revolutionary.

15 I do think what we are going to do is we
16 are going to try to take the enforcement policy and
17 make it fit with the overall assessment process just
18 in terms of, again, focusing on those things that
19 are most safety significant in terms of each one of
20 the cornerstones. That's something that we're
21 looking at beginning to develop here in the next
22 couple of months.

23 Then, finally, on page three we will be
24 looking at the overall assessment of licensee

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 performance in that diagram that I just showed you
2 with the feedback loop, while the assessment of
3 licensee performance is actually that stuff that's
4 in the box. That's this major box right here,
5 overall assessment of licensee performance.

6 This is going to pertain to exactly how we
7 will take information that comes out of the
8 inspection program and comes out of event assessment
9 and so forth, how we sort of chew it up and rack it
10 up and align it so that we can get some kind of very
11 clear transparent meaning. Then the results of that
12 assessment process will again drive the feedback
13 loop in terms of what the NRC response is.

14 Of course, the idea is we want to make
15 sure that our inspection assessment processes are
16 stable and transparent to licensee, external
17 stakeholders, and to the NRC and NRC management and
18 so forth. That is predictable and is consistent.

19 Then, finally, I'm skipping over item Nos.
20 22 and 23 for right now. Item 24 and 25 are final
21 implementation steps. One of the things we've done
22 is we've deleted the proposal for a pilot. There
23 were several reasons and I don't think it's
24 important to belabor why. The bottom line is so few

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 licensees that it really isn't going -- and we have
2 such a diversity of licensees that it may not be
3 realistic to do a pilot. Instead we should just
4 make sure we have a good process and make the
5 changes.

6 Now, one of the points that came out of
7 the December 20th Commission meeting was that this
8 process is going to be more evolutionary than
9 revolutionary. I say that because it's going to be
10 happening in parallel with the new Part 70 or the
11 implementation of new Part 70. As you all know, the
12 new Part 70 is going to be fleshed out in terms of
13 things like ISAs and so forth and management
14 measures over the new few years.

15 I think as time goes by this process will
16 also evolve just in terms of its effectiveness and
17 we'll be learning some lessons along the way. I
18 think we have a pretty good model of how the process
19 should look when we're done. I think we've got
20 enough grounds or enough of a basis to proceed from
21 now to the future.

22 I skipped over 22 and 23 because I know
23 there is some, I don't want to say, controversy but
24 we're not all in the same place on performance

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 indicators. We had discussions on that at the
2 December 20th Commission meeting.

3 I still think that the way this process is
4 structured, especially again looking at this diagram
5 here on slide 5 from the Commission meeting in the
6 lower right-hand corner, it allows for the use of
7 performance indicators and it's not required. It's
8 licensee volunteer.

9 We can still implement the process with
10 the inspection program. I think based on what's
11 happened on the reactor side in terms of
12 implementing this, I think performance indicators
13 are something that are extremely useful, a useful
14 tool for both licensees and for the NRC.

15 I think it would be to everyone's net
16 benefit to do that. I think it's something that
17 maybe time will tell. We may be able to implement
18 and plan specific performance indicators as a
19 possibility. There may be some generalized
20 performance indicators that we could implement as
21 well.

22 The bottom line is that it is licensee
23 volunteer performance indicators. That's kind of
24 the direction we're going. At this point I think

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 it's more of a place holder, but it is something we
2 would like to see come to fruition.

3 With that, I wanted to proceed onto some
4 comments we've received. We've received some
5 internal comments and I'll start with those because
6 those are the easy ones. Actually, the internal
7 comments we received were only from David Ayres.

8 David, I'm tired of talking. Could you
9 just give us a brief rundown of your comments. This
10 is just on the work plan.

11 MR. AYRES: Overall my comments on the
12 work plan mainly dealt with the scheduling. I felt
13 that the schedule itself was heavily loaded at the
14 front end but in areas that relied on input from the
15 industry and concentrated a lot of things in
16 February and March.

17 That's really what the bulk of my comments
18 were. I felt that if we weren't going to do a pilot
19 program, that what we had listed on the work plan
20 needed to be relied --

21 COURT REPORTER: You have to raise your
22 voice a little, please.

23 MR. AYRES: Okay. There again, my
24 comments mainly dealt with the scheduling and I felt

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 that whatever the scheduling was that we were
2 counting on a lot of input from industry was working
3 on other things and maybe not be able to get us the
4 inputs that we needed in the time frames that we had
5 listed on our work plan.

6 My biggest concern for putting the work
7 plan together was similar to what Pat had. My
8 emphasis from an inspector's standpoint was probably
9 more on the significance determination step than
10 anything else because I felt that in the field the
11 inspectors need to be able to determine the
12 significance of things that they see at this point,
13 even before the completion of this program. That
14 was basically my general comments.

15 MR. CASTLEMAN: Okay. Thanks very much,
16 David.

17 MR. STEVENS: Bob Stevens with the
18 Department of Energy. You mentioned something about
19 a pilot program was part of your reason for the
20 scheduling problem?

21 MR. AYRES: No, no. The original schedule
22 had some bullets in there or time frames in there
23 for implementing a pilot program originally. That
24 was part of my original comments.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 MR. STEVENS: All right. Thanks.

2 MR. CASTLEMAN: Any other impressions from
3 what David said? Okay.

4 The other comments we received were from
5 NEI and the NEI comment letter is up at the front
6 table if you need a copy of it. There aren't enough
7 copies but I can have more made.

8 For that I would like to ask Felix Killar
9 to run down the NEI comments.

10 MR. KILLAR: Okay. If you have the NEI
11 letter, probably the easiest thing to do is just go
12 through it and stuff.

13 Our first comments are on Tasks 3 and 4
14 dealing with the communication plan. As David
15 already mentioned, there's quite a bit of discussion
16 about the communication plan at the December 20th
17 Commission briefing prompted basically by Mr.
18 Lochbaum's letter to the NRC and the Commission and
19 stuff.

20 The SRM focused on that and our concern is
21 that this Commission's communication plan look at
22 the SRM, look at the discussion and possibly build
23 on it.

24 The other aspect, our comment is that if

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 you look at the communication plan as put together
2 for the oversight process for the reactors, it was a
3 very elaborate communication plan. They found that
4 even under the elaborate communication plan, a
5 number of the places had no people or very few
6 people who showed up for some of the public
7 briefings and stuff.

8 We feel our facilities are even less of
9 interest than reactors are and that we would not
10 have a major turnout for any type of meeting. The
11 idea of the communication plan needs to be thought
12 about a little bit more and put a little bit more in
13 context with the interest in the facilities from the
14 public.

15 Dealing with the Task 7, the oversight
16 framework or what have you, we feel there's still
17 some work to be done on that. You've indicated it
18 as completed and we're not so sure that it's
19 completed.

20 Partly it's because we're looking at this
21 a little bit different and maybe that's what we can
22 talk about today is how the framework is going to
23 work together. What we're looking at, and as we
24 provided it in our presentation on the 20th, is that

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 we're looking at basically an extension of the LPR
2 process.

3 We feel that we don't have the problem
4 that the reactors had in their oversight process.
5 What we're looking for is that we have a licensed
6 performance review LPR process already that is
7 generally working. We feel it can be improved.

8 We feel if you look through the
9 presentations of some of the words we have here, a
10 lot of the things that are captured in the LPR
11 process are already captured in the framework that
12 was laid out on the reactor side.

13 It's just a matter of mellowing those two
14 together to where we had some consistency of things.

15 We don't feel that we have wrapped up Item 7 and we
16 need to make sure we understand how we're going to
17 wrap this up.

18 December 8, 9, and 10 we're going to start
19 talking about some of the specific cornerstones,
20 these dealing primarily with the common defense
21 security oversight process and stuff. We think
22 there is some work that can be done. Everybody else
23 thinks there's a lot of work that has already been
24 done there.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 One of the things that we're concerned
2 with as we go through this process is we're
3 reinventing the wheel so we need to get a little bit
4 more understanding. We would like to see the NRC
5 put a little bit more of their cards on the table.
6 I'll give some more specific examples as we go
7 through that.

8 Item 11, corrective action program. This
9 is another one where we've been back and forth. We
10 provided a letter. In fact, it may even go back to
11 Dr. Paperiello because this was initially an effort
12 by Dr. Paperiello's concern about corrective action
13 programs. We went out and pulled all the fuel cycle
14 facilities and asked them about their corrective
15 action program and basically found out they all do
16 have corrective action programs and provided
17 information to Dr. Paperiello.

18 Then Dr. Kane came aboard and the concern
19 was they have corrective action programs but they
20 are not all in the licenses. Some of them are
21 licensed requirements and some aren't. Then we
22 started going through Part 70 and we were looking at
23 Chapter 11.

24 We specifically asked the staff when you

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 write Chapter 11 to put corrective action programs
2 in there so we have a consistent program for all the
3 licensees and everybody is looking at the same
4 thing. The response we got from the staff is they
5 didn't have time to do that, that they had to march
6 down to finish Chapter 11.

7 The issue we have right now is we have to
8 look at Chapter 11, look at the requirements, look
9 at what we have in corrective action programs, and
10 try and mellow that all together without a whole lot
11 of consistency from the various programs or what
12 have you.

13 We are looking at what are the core
14 elements and stuff, how do we capture those, and
15 what's in Chapter 11 of the SRP and try and put the
16 whole package together. We are working on that. It
17 could run a little faster if there had been a little
18 more interaction by the development of Chapter 11.

19 Dealing with significance determination
20 process, once again this is somewhat of an issue to
21 us in that we certainly support it, but we also see
22 that the NRC apparently has some significance
23 determination process somewhere. They just haven't
24 told us about it.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 We've had some recent events at a couple
2 of facilities or what have you. Apparently the NRC
3 has used this process to evaluate those and
4 determine that they were insignificant events and
5 nothing else was done about it or needs to be done
6 about it. The significance wasn't there.

7 We would like to know how they came about
8 that determination. We certainly agree with it.
9 We're not arguing with it but somewhere somebody's
10 got something and we don't know what it is. We
11 would like to know what it is.

12 A related thing is that at the last
13 workshop this discussion brought about a discussion
14 that there are certain directives already internal
15 to the NRC, that certain events automatically
16 initiate an automatic inspection team or some type
17 of response or what have you.

18 We were not aware of these directives.
19 These directives were supposed to be provided or put
20 on a web site. We have not seen those. We would
21 like to see those and it would help us be more
22 helpful in working and developing this process.
23 Once again, it's the idea of let's put our cards on
24 the table and go forward and stuff.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 Moving on to Task 20, the overall
2 assessment of licensed performance. We certainly
3 support this aspect. We do think it's important to
4 look at what comes out in the ISA guidance, how all
5 this works together with the ISA, what is the risk
6 determination factors and things along that line.

7 Once again, here's where we have some
8 indications. Once again, as we see inspectors
9 coming out and looking at our facilities, they
10 apparently have been looking at the ISAs that have
11 been submitted. They have been focusing more on the
12 high-risk areas and what have you.

13 We see there's an indication that
14 somewhere there's some direction, some guidance, or
15 maybe these guys are making it up. We don't know.
16 It would be nice if we had something and see what
17 the NRC is using.

18 I guess our bottom line is that it does
19 appear that the NRC has got a lot of stuff going on
20 that supports this program, but we don't know what
21 it is. We sure wish the NRC would share that with
22 us and I think it would help this whole process
23 along.

24 I think the bottom line is that we think

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 there's some benefits to this oversight process. We
2 want to work with the NRC in fleshing it out. We
3 feel there is certainly some benefit to maybe having
4 some type of web site presence and having a nice
5 colored chart or whatever showing what the reactors
6 have.

7 Until we kind of get a more comfortable
8 feeling where all this fits together and how this
9 process is going to work and what the NRC has got in
10 their back pocket, it's hard for us to really go
11 forward in a constructive vein.

12 MR. CASTLEMAN: Does anybody have any
13 comments or impressions on what Felix has just put
14 on the table?

15 Can you hear, Charlie?

16 MR. VAUGHAN: What's that?

17 MR. CASTLEMAN: Can you hear?

18 MR. VAUGHAN: I couldn't hear Felix very
19 well but I can hear others.

20 MR. CASTLEMAN: Did you hear that, Felix?

21 MR. KILLAR: Charlie, I just said what you
22 told me to say.

23 MR. CASTLEMAN: We've just hooked Charlie
24 Vaughan up. We just called him and put him on the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 speaker phone.

2 Charlie, this is Pat Castleman. I
3 apologize. I dropped the ball on not calling you.

4 MR. VAUGHAN: Okay. Can somebody just
5 give me a second and tell me what all you've covered
6 in the first half hour?

7 MR. CASTLEMAN: Basically, what we've done
8 is we briefly had introductory remarks and then we
9 reviewed the December 20th Commission briefing.
10 That was about a two-minute discussion just touching
11 on the highlights.

12 Also the staff requirements memorandum
13 resulting from that meeting in which the Commission
14 primarily focused on public communications
15 initiative. But they also said that they basically
16 didn't object to the staff proceeding to work with
17 stakeholders in revising the fuel cycle facility
18 oversight framework.

19 The next thing that we did is we went down
20 and did a review of the work plan itself. Following
21 a review of the work plan of what's in there and
22 what the general sequence and schedule is, we then
23 opened the floor to comments.

24 The first set of comments was from David

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 Ayres. David's main comment was that the schedule
2 seemed to be heavily loaded in the front end just in
3 terms of the resources and the activities, the
4 activities that were planned and the resources that
5 would be required to implement those activities.

6 Dovetailing with that comment was the fact
7 that the NRC is basically counting on a lot of input
8 from industry while industry was working on other
9 things. I think that is a very important comment.
10 I'm just editorializing here. I think it's a very
11 important comment. That's one of the reasons why
12 we're having this meeting is to try and come to some
13 kind of agreement or understanding of how to
14 proceed.

15 Then David also noted that from his point
16 of view as an inspector one of the most important
17 things we can be doing and ought to be doing now is
18 nailing down our significance determination process.

19 Then after David gave his comments -- are
20 you there?

21 MR. VAUGHAN: Yes.

22 MR. CASTLEMAN: Okay. After David gave
23 his comments, Felix presented an overview of the NEI
24 comments. He talked from the January 16th letter

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 that he sent. That's where we are.

2 MR. VAUGHAN: Got it. That's great.

3 MR. CASTLEMAN: Okay. I have a couple of
4 thoughts on the NEI letter on Felix's comments.
5 I'll just go right down the list.

6 In your paragraph, the top paragraph on
7 page 3 of the letter, you say, "NEI recommends that
8 finalization of the communications plan be deferred
9 until guidance from the Commission is received."
10 Could you kind of flesh that out for me so I
11 understand what kind of guidance you're looking for?

12 MR. KILLAR: Basically what we're looking
13 for there is the SRM response from December 20th.
14 We sent the letter and the SRM from the Commission
15 was not out. We anticipated from the discussion
16 that you would be getting quite a bit of guidance
17 from the Commission on the communications programs.

18 MR. CASTLEMAN: Okay. That's what I
19 thought it was but I just wanted to be sure that we
20 were all on the same place on that one.

21 Now, the next thing on the cornerstones of
22 safety, you were talking about the fact that maybe
23 we were reinventing the wheel and that a lot of work
24 has already been done. I don't want to pick on your

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 words. I'm trying to understand conceptually.

2 You also said that the NRC needs to put
3 more cards on the table. I guess I was wondering
4 what you're looking for.

5 MR. KILLAR: Not so much in the
6 cornerstones of safety. I think what we're looking
7 at there is more in the area of the significance
8 determination process.

9 MR. CASTLEMAN: Right.

10
11 MR. KILLAR: What the staff has been using
12 for that already because apparently we've got so
13 many cases they have done.

14 MR. CASTLEMAN: Okay.

15 MR. KILLAR: What the staff's been using
16 for determining the risk significance because, like
17 you say, we've seen indications from inspections
18 that the staff has been identified some of the
19 higher risk areas of stuff. What have they been
20 doing in order to make those determinations? How do
21 they do that?

22 Is it being done just by pocket and this
23 guy reads this ISA before he goes out to XYZ
24 facility and he says, "Gee, I think certainly from

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 my reading this is a high-risk area. This is the
2 one I'm going to focus on." Or does he have
3 specific guidance as to what he should be doing?

4 MR. AYRES: I can talk to that a little
5 bit. This is David Ayres. What we use a lot of
6 times now, there is a little bit of guidance in the
7 enforcement policy itself where it delineates
8 severity levels of violations and things like that.

9 Also, there are some task enforcement
10 guidance memoranda that talk about risk significance
11 of inspection findings. Also, one of our manual
12 chapters, I believe it's 0610 in writing the
13 reports, it actually lists certain questions to ask
14 yourself when you see something as to whether or not
15 there is some significance there or not.

16 My whole concern about the significance
17 determination process is that there's not a
18 consolidated document that really goes through the
19 thinking process on how you determine if something
20 is risk significant.

21 I know also in the field a lot of times we
22 will talk to the licensee, the safety managers and
23 licensees to see what their feelings are, where they
24 think the most risk significant areas are.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 Based on that along with the other past
2 experience and the guidances that are in the EGM
3 manual chapter is how we determine where to look at
4 an inspection and how to determine the risk
5 significance of things that we see. There is no
6 hard consolidated guidance on how to do that yet.

7 MR. KILLAR: Yeah. I think that is kind
8 of the indications we have is that you've got some
9 things. You've got some like memorandums and things
10 on that line, but there isn't anything that pulls us
11 all together in one document.

12 I think it goes back to your comment you
13 made earlier, Pat, is that this is an evolutionary
14 process and what you want to do is you want to have
15 ordered evolution rather than a chaotic evolution
16 because no one has really sat down and pulled all
17 the stuff together and somebody writes something up
18 and then say, "You forgot about this document over
19 here and this directive over here." We would just
20 like to see all of that we put together and made
21 available to us. We're not familiar with what all
22 you guys are looking at.

23 MR. CASTLEMAN: Okay. I think in a
24 certain way what David just outlined or described is

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 kind of an ad hoc process. In other words, we do
2 have stuff, guidance available and techniques
3 available.

4 MR. PIERSON: One thing I want to say,
5 too, is that we don't operate in a vacuum. We have
6 qualified people, qualified section chiefs,
7 qualified managers. They don't go down and just
8 inspect the facilities at random.

9 They focus on areas based on previous
10 experience, based on knowledge, based on reports,
11 based on indications from licensees and from other
12 licensees from national and international like
13 guidance documents to make a decision about where it
14 would be best focused in terms of the safety benefit
15 to the final inspection.

16 It's difficult. I hear what you're saying
17 but there is not a simple recipe. It's not a simple
18 cookbook to hand you and say when an inspector comes
19 to your site, he's going to use these 10 steps to
20 figure out where he's going to inspect.

21 If that's what you're asking for, that
22 doesn't exist and, furthermore, probably never will
23 exist because I think that puts too much of a
24 boundary in terms of what you are trying to do for

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 our inspectors.

2 We try to send qualified knowledgeable
3 people to use the best information at hand to make
4 an informed judgement about what they need to do and
5 how they need to do that.

6 PARTICIPANT: Bob, I think we're getting a
7 little bit off the topic in that we're not asking
8 for a laundry list or a checklist or what have you.

9 We just want to know what guidance the inspectors
10 are working with. We have the inspection manual.

11 MR. KILLAR: I think professional
12 judgement is a good answer.

13 MR. PIERSON: We are trying to provide a
14 more processed guidance, as you recall. You are
15 never going to get to the point where an inspector
16 has some short document or laundry list that tells
17 them how they're going to do that.

18 It's tied up in a qualification program.
19 It's tied up with respect to knowledge, to ability,
20 to judgement. All these things together are folded
21 up into a plan to say how you are supposed to do
22 inspections.

23 Ultimately at some point in the future we
24 will be using a fundamental template to prescribe

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 that process. It will be the integrated safety
2 analysis.

3 But even that, I don't want anyone to go
4 away from this thinking that the integrated safety
5 analysis says these six things are high risk and
6 these five things are low risk and somebody comes
7 down in the future and wants to look at a low risk
8 and says, "No, you can't do it. This is a low risk
9 on your ISA and that's all that counts." It's never
10 going to be that way. That's all I'm trying to say.

11 MR. KILLAR: And we're not asking to do
12 anything that specific. We're just trying to get a
13 better handle on what you're doing. I think a good
14 example of this is a couple of years ago we were
15 having a lot of issues with the LPR process because
16 we didn't understand how you did the LPR process.

17 When we sat down and walked through how
18 you did the LPR process, we said, heck, that makes
19 sense. We understand what you're doing now. Before
20 that we thought it was just kind of arbitrary and
21 stuff.

22 Now that we understand how you do the LPR
23 process, we felt the LPR process made sense to us
24 and was more valuable. It was understanding how you

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 go about doing your business makes it clear for us
2 of how to help you answer the questions you have to
3 answer.

4 MR. MOREY: I think as we move into
5 this --

6 MR. CASTLEMAN: Could you give your name,
7 please?

8 MR. MOREY: Dennis Morey. As we move into
9 this new reengineered program we are going to move
10 in the direction of working with the licensee at the
11 start of the inspection and identify the risk
12 significant areas, the predominant risks, the
13 predominant controls, how they are implemented in
14 working through the inspection in that direction.

15 As we've been going along here recently
16 and we've been working with the reengineering
17 program, I've been working on a set of 10 questions
18 that are pointed in that direction.

19 Identify your common risk areas, identify
20 the common controls, identify the management systems
21 to ensure that the controls are available and
22 reliable. Then we go out and look at those and see
23 that the licensee is correctly identifying problems.

24 Basically I think that's how the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 inspection program is work forward into this and
2 we're going to ultimately end up with new inspection
3 procedures that address those areas, that address
4 the inspection in that way.

5 MR. KILLAR: That's fine. This is exactly
6 what I'm talking about. You've got these 10
7 questions that somewhere, somehow or other you
8 arrived at. If we had those 10 questions, we would
9 have a better understanding of what you're looking
10 at when you come to our facilities.

11 When you ask a question that is derived
12 from these same questions, we know where you're
13 coming from rather than saying, gee, why is he
14 asking that question? This is what I'm saying.
15 You've got informal guidance, or whatever you want
16 to call it, internal to the NRC and it doesn't help
17 us to understand what you're doing if we don't have
18 this information.

19 MR. PIERSON: I don't think we have any
20 informal guidance internal to the NRC. What he's
21 talking about is something that he's developed on
22 his own for inspection. We don't have guidance of
23 the type that you're describing that represents
24 something that has been issued from the NRC

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 providing information to inspectors of how to
2 conduct at that level.k

3 MR. KILLAR: Okay. He has his 10
4 questions. David has his 10 questions which may be
5 completely different. What you're saying is you
6 don't have a consistent program?

7 MR. PIERSON: No, I'm not saying we don't
8 have a consistent program. I'm saying the thrust of
9 our program is based on the training and
10 qualification of the staff in conjunction with
11 oversight and management of the people that are
12 implementing the program. That applies consistency.

13 MR. KILLAR: We are getting off the topic
14 here, Bob. I understand where you're coming from.
15 I just hope you appreciate where we're coming from.

16 MR. PIERSON: I understand what you're
17 saying but we're not going to be in the short-term
18 providing a list of questions of how our inspectors
19 conduct the inspection. That's not going to be
20 happening.

21 MR. SCHILTHEM: If I could add something,
22 I think we've just illuminated why we need some
23 structure to this significance determination
24 process.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 MR. PIERSON: The structure will be the
2 ISA.

3 MR. SCHILTHEM: I don't think anybody is
4 asking for a recipe or expects a recipe. We do have
5 a unique opportunity because every day we're
6 learning as we're doing ISAs and we you're
7 inspecting ISAs we're learning how this process is
8 going to work.

9 Right now, well, we can probably get to
10 the first graph of a significance determination
11 process. Like you said, it's going to be an
12 evolution. It will probably be a couple of years
13 before we actually know where we are. That would be
14 my expectation based on having five years of doing
15 ISAs.

16 MR. CASTLEMAN: But even having a first
17 draft significance determination process that we can
18 start to implement in full recognition that we're
19 going to be revising it and refining it and making
20 it better as we get better information from ISAs and
21 so forth. I think eve that step will go a long way
22 to addressing the concern that Felix put on the
23 table.

24 MR. SCHILTHEM: And that step has to use

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 the existing information, staff directives or
2 memorandums or whatever as not the only input but as
3 one of the inputs.

4 MR. CASTLEMAN: Right. I think that's
5 pretty clear. Out of this discussion I think that
6 is sort of -- or this discussion has sort of
7 underscored the importance of getting moving on
8 significance determination process and getting
9 something on the street and implemented.

10 Yes, Neill.

11 MR. HOWEY: Isn't there a parallel effort
12 to produce an NRC inspection procedure that goes
13 with this process? Isn't that what I think I hear
14 Felix asking for in terms of structure of what NRC
15 is going to inspect?

16 MR. PHILLIPS: Parallel is right, Charlie.
17 It's more series.

18 MR. CASTLEMAN: Right. It's more series.

19 MR. PHILLIPS: As a matter of fact, it's
20 No. 14, I believe.

21 MR. CASTLEMAN: Right. Item No. 14, Item
22 No. 15 on the work plan deal with revising the
23 inspection program.

24 Go ahead, Monte. Do you have some

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 thoughts on that?

2 MR. PHILLIPS: I just want to mention
3 that's where they are. Getting back to the point
4 Felix made, I know there's a management director who
5 talks about where we select whether or not we're
6 going to send out an AIT or IIT for an event. I
7 don't know if those management directives are
8 available to you or not.

9 MR. PIERSON: I think there are.

10 MR. PHILLIPS: There's a specific
11 management directive that talks about AITs and it
12 has criteria in it on where you go and where you
13 come from. It's kind of a significance
14 determination.

15 MR. CASTLEMAN: Okay. Let's see. I think
16 just to summarize and sort of beat this to death a
17 little bit more, the significance determination is
18 something we need to get moving on soon.

19 In response to Neill's comment, we also do
20 need to move on the inspection program in terms of
21 just revising the structure of the program and also
22 revise the procedures. Again, in full recognition
23 that all the stuff is going to continue to evolve as
24 the ISAs evolve.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 I think the next comment then, just moving
2 onto NEI's comments on corrective action plan, it
3 says -- Felix, the comment letter said that NEI and
4 industry will take the lead in developing the core
5 principles for a corrective action program. Do you
6 have any idea of a time frame at this point?

7 MR. KILLAR: We talked about that actually
8 just recently here. We feel probably later this
9 year we can have something. The issue right now is
10 because we just got Chapter 11 and we're now looking
11 at Chapter 11. We will be starting to pull together
12 how we actually will go forward based on what's in
13 Chapter 11.

14 For those not familiar with Chapter 11,
15 we're talking about Chapter 11 in the standard
16 review plan 1520 which deals with management
17 measures and corrective action programs as sort of a
18 subsidiary to the management measures. We have
19 already looked at some core things that were put out
20 by IMPO.

21 In fact, Walt, I believe, is one of the
22 ones involved in that. We've got some things in the
23 works but based on having, as I think Dave alluded
24 to earlier, we've got a lot of stuff and we're

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 really heavy loaded in the first part of this year
2 in getting the responses to the NRC on April 18th,
3 materials and things on that line. We think we'll
4 probably have something but it will probably be
5 later this year.

6 MR. CASTLEMAN: Okay. I'm going to try to
7 pin you down a little bit more now. When do you
8 think you could come up with a date for when we
9 could get this piece of the revised program, at
10 least the first draft of this piece of the revised
11 program in place.

12 MR. SCHILTHEM: Before we go to a date,
13 can we have a short discussion on the end? I mean,
14 we've got to begin with the end.

15 MR. CASTLEMAN: Okay.

16 MR. SCHILTHEM: The deficiency right now
17 from your standpoint from what I've heard it appears
18 to be that a corrective action program just isn't
19 consistently described in the applications.

20 MR. CASTLEMAN: Actually, that may be
21 true. It might be. I'm not even going to -- I'm
22 not really the right person to comment on that. For
23 the purposes of this process, what we're looking at
24 is how would we in inspection and enforcement space

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 treat corrective action programs.

2 What we're looking at is, or what we're
3 trying to drive for is how effective are your
4 corrective action programs in self identifying and
5 fixing problems or with an emphasis on fixing the
6 problems to avoid repetitiveness. That's really
7 what we're looking at for the purposes of this
8 rather than us straying into licensing space or
9 programmatic space per se. We're just really
10 looking at effectiveness. That's really the end in
11 mind.

12 MR. SCHILTHEM: That's not totally
13 consistent with what Mike Webber said at the last
14 meeting because we had a bit of this discussion. It
15 was his view, anyway, that he wasn't willing to
16 acknowledge that without a corrective action program
17 described in your license application, that this
18 piece could be considered done.

19 MR. PIERSON: I think what Mike was trying
20 to say is that a significant factor in terms of our
21 ability to utilize this program for the reactor
22 organizations is that they have in place corrective
23 action programs that describe how the licensee is
24 going to implement processes such that when the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 event occurs, they will not have a similar follow-on
2 event, that the causative actions of that event are
3 addressed such as it's not going to occur again.

4 Things may have changed very recently in
5 the fuel facility arena, but our perception is that
6 fuel cycle facilities, not to pick on any particular
7 one, but as an industry, as an aggregate, probably
8 do not have the rigor in their corrective action
9 programs to allow us to make the same judgment for
10 the fuel facilities that we make for reactors.

11 Now, the answer may be that they don't
12 need the same rigor. The answer may be that because
13 of inherent differences in how the fuel facilities
14 are regulated and how the reactors are regulated in
15 the safety significance, and so forth, may not need
16 the same rigor.

17 But, by the same token, that hasn't been
18 demonstrated either. At some point we've got to
19 decide what is needed, when enough is enough, and
20 come to some consensus on what an adequate
21 corrective action program is such that it's doable
22 and understandable from your perspective and from
23 our perspective it provides the necessary
24 ingredients for us to be able to rely on it as a

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 significant factor in this oversight process we're
2 trying to develop. We don't think we're there yet.

3 MR. SCHILTHEM: I agree with you and
4 that's step one. Step two is then to implement
5 that. Okay? I'm trying to draw some time line
6 synergy here. In April we'll be submitting plans
7 for when we complete our ISAs and when we submit
8 management measures. One of those management
9 measures is close to a corrective action program.

10 MR. PIERSON: That's a plan for when you
11 need to submit this.

12 MR. SCHILTHEM: I understand, but that
13 doesn't necessarily mean that you have to have that
14 management measures in place or the corrective
15 action in place by the time you're done with this
16 plan.

17 MR. PIERSON: Ultimately when we say we're
18 in compliance with the new rule, Part 70, whether
19 that be one year after April 18th or four years, we
20 will have submitted all the information. Hopefully
21 this corrective action plan is part of that
22 information that says, okay, now we have --

23 MR. SCHILTHEM: I want to say one other
24 thing about the corrective action plan and getting

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 back to something Felix said earlier about why we
2 didn't include it in Chapter 11.

3 The concept that we're moving forward in
4 this process is that these attributes, particularly
5 the management measure attributes, are driven by the
6 safety significance or the safety threshold of a
7 particular item that you rely on for safety.

8 Now, if one were to construct a generic
9 corrective action plan that would fit neatly into
10 that Chapter 11 such that it would apply to any fuel
11 cycle facility licensed and regulated under Part 70,
12 you would be constrained in the sense that, I think,
13 for some it would be overkill and for some, if it
14 were generic enough, it may not be enough.

15 What we would rather you do is look at
16 what you're doing and how you're making these
17 judgements and what you need to do because I don't
18 think you need the same corrective action program
19 for some processes that you might for other
20 processes.

21 To some extent that's going to have to be
22 driven by how you assess the safety of your site,
23 how you assess these items we rely on for safety,
24 how you implement your integrated safety analysis,

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 and how you tie these management measures together
2 to come up with something that is probably going to
3 be relatively unique but still has some common
4 attribute.

5 Now, if we could identify these common
6 attributes and conclude that they are universal,
7 then maybe we would want to include them in some
8 sort of universal guidance. So far we haven't been
9 smart enough to be able to do that.

10 MR. PIERSON: I guess I'm not
11 communicating very well. I'm not talking about
12 technically what the corrective action program is.
13 I'm trying to explore the implementation or your
14 action to determine that the licensee has an
15 appropriate corrective action program. For example,
16 would you come out and do a focused inspection a
17 year from now?

18 MR. SCHILTHEM: I would say, just speaking
19 off the top of my head, your corrective action
20 program would have from your perspective the outcome
21 it was attempting to establish and how you are going
22 to constrain and bound and implement that so that
23 you can obtain those outcomes. Then you would have
24 some way of justifying that measure.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 We'd probably come out somewhere in the
2 future and inspect that. Now, would it need to be a
3 licensed condition? I don't know. I'd be reluctant
4 to say it would need to be.

5 MR. PIERSON: At some point there will be
6 a process where NRC comes to each licensee and
7 determines, yes, your corrective action program is
8 adequate in the frame work of what your current
9 needs are and what the new oversight program is.

10 MR. SCHILTHEM: What I'm trying to say is
11 the date when we come up with these core elements
12 should depend on when that's going to happen. It
13 will happen after you've established that process.

14 If you came up with a program tomorrow
15 plotted to your facility, I don't think we would
16 realistically think it would be worthwhile to go
17 inspect that the day after tomorrow.

18 We would probably want to allow some time
19 to work. Maybe the right answer is six months or a
20 year, but it's going to be some time so that we can
21 make a judgement to determine how effective that
22 process is.

23 MR. PIERSON: Going back to what Felix
24 said, as licensees we all provided information to

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 NRC that said these are our corrective action
2 programs in place and they've been in place for
3 years and we think they are satisfactory.

4 MR. SCHILTHEM: They may be.

5 MR. PIERSON: The core elements we write
6 will be consistent with what we already have in
7 place.

8 MR. SCHILTHEM: I don't dispute that.

9 MR. PIERSON: We can write the core
10 elements consistent with what we have in place and
11 you could come and do a focused inspection tomorrow.

12 We could check this corrective action program off
13 the box. It's done. It's inspected. It's there.
14 We've got it in place. It's not necessarily
15 described in our license.

16 MR. SCHILTHEM: You feel like you've got
17 something there that you feel is acceptable and
18 adequate that meets the threshold of what you're
19 trying to establish. I think we should probably
20 take that for action and see if we could conduct
21 some inspection and give you some feedback. I don't
22 know how the other licensees feel about that.

23 MR. SHERR: Can I ask a question? You've
24 got this notion that Chapter 11 hasn't addressed

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 corrective action programs.

2 MR. KILLAR: Lay out in Chapter 11 a
3 generic frame work for corrective action program.
4 We suggested that the Chapter 11 have such a
5 structure to it and we were told no, that's not the
6 way the staff wanted to do it.

7 MR. COX: The two sections in Chapter 11
8 called products --

9 COURT REPORTER: Can't hear you.

10 MR. COX: I'm Tom Cox. The two sections
11 in Chapter 11 that are called Investigations and
12 Audits and Assessments are relayed by the staff to
13 incorporate all of the core elements of importance
14 to corrective action programs we know of to date
15 lacking ISA summaries and ISAs they comport to the
16 new Part 70. We feel that we had it all down there.

17 NEI and other stakeholders who have agreed
18 with this agree with Chapter 11. If you have
19 programs that comport with the elements of those
20 criteria, I think, too, they're in good shape. It's
21 a matter of writing it down.

22 MR. PIERSON: It sounds like what we
23 probably need to do is maybe on a few select
24 licensees go look if you feel like you're ready.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 Communicate that to the project manager and then we
2 could go down and take a look at it and do an
3 inspection and come back with some feedback for the
4 group as a whole and say, "Yeah, that looks like it
5 works."

6 But I want to say that it might work for
7 you but that still doesn't mean that corrective
8 action plan be cut out of your organization and
9 transplanted to another organization.

10 MR. KILLAR: The other issue is, as I
11 indicated earlier, that when we convey this
12 information to Dr. Paperiello and Mr. Kane and
13 stuff, not all of them are licensed conditions or
14 part of the license. There are people in corrective
15 action programs that are not part of their licenses.

16 One of the issues was that the response
17 was it has to be part of the license in order for it
18 to be enforced by the NRC. I think that was part of
19 what Steve was alluded to, how do we make that part
20 of the license without going through a license
21 renewal or asking for a license condition for those
22 people who aren't part of the license and then to
23 what criteria do they apply.

24 Until we had Chapter 11 finalized, it

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 wasn't clear what that criteria is. We have been
2 playing sort of a chicken and egg situation here and
3 we are about there now to where we can go out now
4 and raid the hen house.

5 MR. SCHILTHEM: Now, if the determination
6 out of NRC, however that determination gets made, is
7 that it has to be described in the license
8 application. Then I think we need to look at the
9 other license application activities we've got going
10 on in relation to the implementation of the new Part
11 70 to determine when.

12 I guess what I heard as the reaction out
13 of here is that staff needs to decide -- NRC needs
14 to decide if we can check this box.

15 MR. PIERSON: Are you guys listening to
16 that? They're giving you an action item. Will you
17 agree to it?

18 MR. SCHILTHEM: I'm asking. I'm not --

19 MR. SHERR: Rephrase it.

20 MR. SCHILTHEM: Is there an action where
21 NRC staff needs to determine can a corrective action
22 program be given credit for if it's not described in
23 a license application or does it need to be
24 described in the license application?

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 MR. CASTLEMAN: Credit for an inspection
2 space?

3 MR. SCHILTHEM: Yes, in terms of what
4 we're trying to accomplish.

5 MR. PIERSON: I suggest that we as an
6 organization make a commitment to go and look at one
7 of these corrective action programs. When we look
8 at the corrective action program and how it's
9 implemented, then we can come back and say, "Here is
10 what we found."

11 At that point is an organization we could
12 come to consensus about how we need to -- you know,
13 is it acceptable the way it is? Do we need to write
14 a license condition? Should it be included in some
15 sort of description? What do we need to do? And
16 then communicate back to them as an organization.
17 That's what I think I'm hearing you asking for. Is
18 that correct?

19 MR. SCHILTHEM: BWXT would be a good
20 example because we have what I consider to be a very
21 strong corrective action program. It's not
22 described in our license application.

23 MR. AYRES: We do inspect the corrective
24 action programs, too, when we do a follow-up on an

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 event or even follow-up on corrections from
2 violations. We do look at the corrective action
3 program, look at the corrective actions that were
4 made and usually in the inspection report make a
5 determination of whether it was appropriate or
6 adequate or not. We are doing that limited now.

7 MR. PIERSON: That's on a case-by-case
8 basis.

9 MR. AYRES: Not a complete programmatic
10 basis. Right. But if you get enough of those case-
11 by-case basis showing good corrective action, good
12 corrective action, good corrective action, that kind
13 of tends you toward the direction that they have a
14 good program.

15 MR. PIERSON: Can we make that commitment?

16 MR. SHERR: Unless my memory is failing
17 me, under the revised Part 70 licensees will be
18 describing management measures and those are subject
19 to NRC approval.

20 When that takes places, consistent with
21 what Tom was saying, by that approval we'll have
22 approved those aspects of Chapter 11 that, in fact,
23 constitute the corrective action program so there
24 will be an NRC approved correction action program

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 once we've gone through that process. Is your
2 request in terms of what would be done until that
3 takes place?

4 MR. SCHILTHEM: My original question is a
5 timing issue. That could happen anywhere within a
6 six-month time frame or a four-year time frame. If
7 it's going to happen in that four-year time frame,
8 then I'm not sure why we're in a hurry to write the
9 principles. If it's going to happen in the six-
10 month time frame, then maybe we ought to be in a
11 hurry.

12 MR. SHERR: So the context of your
13 question is if there's a licensee that hasn't yet
14 complied with all the revised Part 70 different time
15 lines in Part 70, what would be done? How would we
16 exercise this program in that time frame?

17 MR. SCHILTHEM: Basically. It kind of
18 goes back to Pat's probing for a date. The answers
19 to these questions are important as to how much
20 priority we give this item.

21 MR. CASTLEMAN: Okay. And I still would
22 like to have some kind of a date. I've followed all
23 the discussion and so forth. I'm going to be very
24 parochial and say for the inspection program, the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 assessment process, what we're really looking for is
2 some kind of tool for us to use, for the NRC to use,
3 in evaluating the effectiveness of the program, not
4 for the purposes of taking enforcement against the
5 program or inspecting the program, whether or not
6 you have this element, the timing of your audits and
7 stuff like that.

8 We're looking at it and we really need
9 some kind of tool to be able to use or evaluate the
10 contribution of your corrective actions towards
11 facility performance. There is a real nexus here
12 between corrective actions, facility performance,
13 and NRC actions, effective corrective action
14 programs.

15 I'm just going to call it effective
16 corrective actions because I want to stay away from
17 the program or the bureaucratic program word.
18 Basically effective corrective actions mean that
19 there's going to be less NRC inspection in
20 particular areas, in those areas where basically
21 licensees are finding and fixing their problems.

22 Those are areas that we will not have to
23 spend a lot of resources focusing on. Instead we
24 can focus on those areas where there may be

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 difficulty. That's really what we're kind of
2 looking for within this context. I do understand
3 that there are some issues related to Part 70
4 implementation.

5 We are doing this all at the same time.
6 What I would like to be able to do is to be able to
7 get, again, some clearer guidance both for licensees
8 and for NRC staff to be able to start crediting
9 these things.

10 It's also directly impacting -- this is
11 where I really want to go in response to your
12 comments, the NEI comments. It is right in line
13 with NRC assessment of licensee performance. In the
14 structure of this work plan we're using the phrase
15 assessment of licensee performance as a more generic
16 term for licensee performance review.

17 I guess one of the points I wanted to put
18 on the table is that effective corrective action
19 program is something that is going to feed directly
20 into a revised licensee performance review. I would
21 like to depart from this topic of corrective
22 actions. Obviously we're not quite there.

23 We need to have further discussions but I
24 would at some point like to hear from NEI at what

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 point we could get some kind of draft tool just to
2 put out in the public for stakeholders to review
3 that we can then start using in our inspections.
4 Actually inspections and assessments.

5 MR. KILLAR: Rather than talk about it
6 now, what I would rather do is based on discussion
7 caucus with these guys and look at what is
8 reasonable and then give you something back. We
9 would be glad to provide that in writing.

10 MR. PIERSON: We are still going to try to
11 do some sort of an assessment talking about these
12 programs.

13 MR. CASTLEMAN: Ted has the answer to that
14 because they're his resources.

15 MR. SCHILTHEM: I think it would be
16 valuable.

17 MR. PIERSON: You guys could go back and
18 discuss that. One of our licensees needs to come
19 forward and say, "Yes, I would like to be a
20 candidate for that."

21 MR. SCHILTHEM: If you want to use us,
22 that's fine.

23 MR. CASTLEMAN: The last thing I would
24 like to discuss in terms of the NEI comments is what

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 is the difference between -- how do you see the
2 difference between Task 20 and the revised LPR
3 process?

4 MR. KILLAR: Actually, that's a question
5 we had for you. We see this process actually
6 enhancing the existing LPR process where you stated
7 as replacing the LPR process. We see the LPR
8 process has all the elements that we were talking
9 about previously in the frame work or what have you.

10 They haven't been laid out like they've
11 done over on the reactor side but if you start
12 looking and comparing and say, "Yes, this fits here
13 and this fits there," you pretty well capture
14 everything that's in the reactor process, in the
15 existing LPR process.

16 The only thing the LPR process doesn't
17 have is the graphical or web page type operation
18 that we've talked about before and specific
19 performance indicators. What we see this as using
20 the LPR frame work to mellow these together and
21 enhance the LPR process.

22 One of the concerns we have is that if you
23 come out with a "new process" that replaces the LPR
24 process, it's going to place a burden on us and will

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 place a burden on you defining what this is and
2 laying it all out, putting all the documentation
3 together and what have you. We don't see that's
4 really going to help. Rather than do that, if we
5 just take and build on the LPR process, we get the
6 same goal.

7 MR. PIERSON: What you're saying is don't
8 throw out the LPR process and expect us to come up
9 with something new without being very careful. What
10 we prefer to see is take the LPR process and tweak
11 it into something that satisfies and you think it's
12 pretty much there.

13 MR. KILLAR: And it goes back to it's an
14 evolution. We have the LPR process. Evolve the LPR
15 process and pick up the additional enhancements that
16 you feel are not there right now. That way we can
17 both get where we're going.

18 MR. CASTLEMAN: Yeah. I think substance
19 wise, or in terms of the substance of our discussion
20 here, I think we're on the same page. What we're
21 saying is a new assessment process which is just
22 that specific.

23 This box right here, that really is a
24 revised LPR. We're just not going to come up with

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 some new process and toss out the LPR. I think
2 instead it's going to have to be a phased
3 implementation.

4 If we say revised overall assessment
5 process or new overall assessment process, that
6 pretty much is just the same animal that NEI is
7 looking for by a different name.

8 MR. KILLAR: And what I'm trying -- maybe
9 I'm beating a dead horse. If you look at the
10 reactor side, basically the SALP wasn't very
11 effective so basically they threw that out and put
12 this new oversight process. They actually did
13 replace one old process with another process. We
14 don't need to do that over on our side.

15 MR. PIERSON: We agree. We have no
16 intention of doing that. There may be some tweaking
17 and modification, trimming around the edges,
18 reliance upon more things like maybe a corrective
19 action program is a better indicator, a more
20 universal indicator. We're not going to throw the
21 process out and start over.

22 MR. KILLAR: That's what we're driving at.

23 MR. CASTLEMAN: Okay. I think we're all
24 in the same place on that.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 That ends the comment review. Unless
2 anybody has any other comments, I would like to take
3 about a five-minute break here and then pick up with
4 the agenda.

5 MR. VAUGHAN: Pat, Charlie Vaughan.

6 MR. CASTLEMAN: Yeah, Charlie.

7 MR. VAUGHAN: I would like to make one
8 little comment before we break up on this session if
9 I may.

10 MR. CASTLEMAN: Sure.

11 MR. VAUGHAN: The discussion on the
12 corrective action program, I tend to think that you
13 summed it up pretty well there toward the end, but I
14 just wanted to reiterate that. We got awfully
15 focused on the elements of the corrective action
16 program when we were looking at the revised Part 70
17 and talking about Chapter 11 of the SRP.

18 We really spent a lot of time, those
19 others who were working on it, dealing with from a
20 management standpoint what are the elements of an
21 effective corrective action program.

22 I think we need to decouple that because
23 you eliminated the question that in my opinion we
24 have to answer from an oversight standpoint, and

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 that is how do you determine the effectiveness of
2 the corrective action program?

3 In other words, all of us are going to
4 write our prescriptions now and they are going to be
5 evaluated to the Chapter 11 criteria. At some point
6 we are going to find them acceptable. But the
7 oversight process then has to keep the finger on the
8 pulse, so to speak, and determine are those programs
9 really being effective.

10 I think our focus need to be what are the
11 parameters or metrics or how do you go at
12 determining the effectiveness of that program.
13 Quite frankly, that may be a little bit more
14 difficult to do then to define the program itself.

15 I just kind of want to reinforce that
16 question that you posed and I think that's the focus
17 that we've got to have going forward.

18 MR. CASTLEMAN: Thanks. I couldn't have
19 said it better. I think that I agree with you.

20 MR. VAUGHAN: Okay.

21 MR. CASTLEMAN: I agree with you. That's
22 something to ponder, I think, for all of us.

23 Okay. Any other comments? David
24 Lochbaum.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 MR. LOCHBAUM: I just have a quick
2 question. You've given me these documents almost
3 two months ago and I haven't provided comments yet
4 and I apologize for that.

5 The only thing I did see was related to
6 Item 24. It may just be a detail question. It says
7 in paragraph C, "Guidance for implementing and
8 maintaining the program." I don't know if that
9 includes assessing the effectiveness of the
10 oversight process itself. The direct oversight
11 process has an internal process conducted by the
12 program office to evaluate whether the oversight
13 program is meeting all of its objectives.

14 MR. CASTLEMAN: Right.

15 MR. LOCHBAUM: For example, when an AIT
16 comes out, you have this feedback that you mentioned
17 earlier where you evaluate if additional actions are
18 needed for that licensee as a result of the AIT.

19 It also looks like there needs to be a
20 matrix item. If we go back and look at the baseline
21 inspections that the NRC does, the community scope
22 of the baseline inspections need to be broadened
23 because the AIT could be in an area that wasn't
24 being covered.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 Of if the frequency of an existing
2 inspection may need to be increased based on the
3 lessons learned from the AIT. I don't know if this
4 item includes things like that or not.

5 MR. CASTLEMAN: To tell you the truth,
6 I'll be honest with you, I don't know either but
7 what I will say is what you just described is
8 something that we need to do. We absolutely need to
9 do.

10 We've got to have some kind of performance
11 assessment, internal performance assessment in
12 place. That is something, in fact, that kind of
13 meshes very well with our planning, budgeting, and
14 performance management process that we are required
15 to do under the Government Performance and Results
16 Act.

17 That's a great comment and we're going to
18 take it and fold it in. Exactly how and when and
19 where it's going to play, I don't know, but the
20 substance of that is correct. Thank you very much.

21 Any other quick comments before we break?

22 MR. ROBLES: Not a quick comment. How
23 about if I reserve a comment for when we come back?

24 MR. CASTLEMAN: Sure. Let's take five to

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 seven minutes.

2 (Whereupon, at 11:27 a.m. off the record
3 until 11:39 a.m.)

4 MR. CASTLEMAN: What I would like to do
5 now is solicit additional comments or views. I
6 would just like to go right around the room to see
7 if anybody else has any other comments, anything
8 they would like to put on the table.

9 I'll start here. No? Mr. Lochbaum. No?
10 Bill? None? I can't believe it. Everybody must
11 be happy. Walt Schwink is here so we're all happy.

12 MR. SCHWINK: And silent.

13 MR. CASTLEMAN: And silent. Do you have
14 any comments?

15 PARTICIPANT: No comment.

16 MR. CASTLEMAN: Walt? We'll skip Walt.

17 MR. SCHWINK: I was told to be quiet.

18 MR. CASTLEMAN: Well, you have value to
19 add, I know.

20 Any comments, Pat? The gentleman next to
21 Pat. No additional comments? Okay.

22 At the table. Steve, anything else?
23 Felix? Neill?

24 MR. HOWEY: I just want to know if

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 everything is out there and we philosophically agree
2 on this communication plan.

3 MR. PHILLIPS: We haven't got to that yet.

4 MR. HOWEY: That's the next topic.

5 MR. CASTLEMAN: Communications is planned
6 for the next topic. We'll see. We'll address that
7 in just a few minutes.

8 Bob, do you have any comments? David?

9 MR. LOCHBAUM: No.

10 MR. CASTLEMAN: Bob Pierson?

11 MR. PIERSON: No additional comments.

12 MR. CASTLEMAN: Mario?

13 MR. ROBLES: Yeah, I do. USEC has been in
14 step with the rest of the industry really up until
15 this point because we've been talking in general
16 conceptional terms. Up until the point where you
17 start flushing it out and getting into more detail
18 we were able to stay in concert.

19 Now that you have a work plan, my feeling
20 is you have to have three tracks and you only have
21 one track. Right now the track that you have and
22 the schedule that you have that is really driven by
23 the content is very specific to Part 70. It depends
24 a lot on Part 70 content. It depends upon Part 70

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 implementation and we're not a Part 70 plant.

2 But you recognized that, I think, in your
3 statement regarding you don't feel there is a need
4 for a pilot period because there are few licensees,
5 they are sufficiently diverse, and you can work with
6 each one during a transition period as you implement
7 the program.

8 We agree with that. That kind of throws
9 out the idea of consistency meaning that if there
10 were tracks, there probably should be three tracks,
11 Part 40 track, Part 70 track, and a Part 76 track.

12 We are all into the same game. That's why
13 we could stay together conceptionally. We're all
14 talking about timely licensee performance reviews.
15 We're talking about predictable performance reviews
16 that neither the licensee nor the regulator is
17 caught by surprise and that is clear to the public.

18 Last year, December 28, this is the LPR
19 for the Portsmouth Gases Diffusion Plant. It covers
20 a two years period. From the standpoint of
21 timeliness, this really doesn't satisfy the issue of
22 timeliness. You get a report card that covers two
23 years worth as opposed to the reactor.

24 This idea, and I've heard it in several

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 meetings now, that the LPR process is not broke.
2 What we need to do is modify it around the edges. I
3 don't think it's accurate. It's kind of like --
4 it's not broken in the context of like a blunt
5 knife. Yeah, technically you could cut through the
6 meat but you would have to work a lot harder to do
7 it as you want to do.

8 What we're talking about is sharpening the
9 LPR process. Right now it's not timely. What I've
10 sketched out -- what I've handed out is for this
11 December LPR the five areas for Portsmouth; nuclear
12 material, safeguards, radiological control, safety
13 operations, stakeholder support, and special topics.

14 What the NRC did with those areas is
15 listed in the second column, LPR. They considered
16 the nuclear material safeguards a strength,
17 radiological control a strength, and safety
18 operations they said there are opportunities for
19 improvement. Then there were some challenges
20 identified, and so on down the line.

21 Now, the next column is something that
22 comes out of something that we do monthly so it's
23 much more timely. What you're going to see, you're
24 going to see some differences but that's because the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 NRC is looking at a two-year movie, if you will.

2 We're looking at a month to month
3 indication of performance. So if we look, for
4 example, at radiological controls, which was listed
5 by the NRC as a strength, we've got colors and green
6 means it's a strength.

7 In one specific area we would have agreed
8 with the NRC. This goes to the issue of
9 predictability. I would love it when you score us
10 and we score ourselves that we gain the same
11 scorecard. There's something very similar and that
12 is not the case.

13 In the case of USEC releases, something
14 very specific, something radiological in nature,
15 we're green, we'll call that a strength compared to
16 our goals, our quantitative goals, and we're
17 improving in that area.

18 When it comes to skin contamination, we're
19 yellow. We're satisfactory but we're declining. In
20 the area of radiation exposure -- excuse me. Yellow
21 is we're in need of improvement. In the area of
22 radiation exposure, we're satisfactory and we're
23 maintaining. In the area of internal exposure,
24 we're satisfactory and maintaining.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 Similarly, in the area of safety
2 operations, the NRC identified it as needing
3 improvement and there are challenges identified. In
4 the safety area, however, our performance
5 indicators, again, they are monthly and these
6 indicators are from December 2000. We're green with
7 respect to safety system evacuation and we're
8 showing some decline.

9 That's something that tells our management
10 to look at that decline to see if that's just
11 something that's a perturbation or something that
12 really is indicative of decline.

13 The area of safety system failures, we're
14 green and maintaining. TRS violations, green and
15 maintaining. Human performance, green and
16 maintaining. Human performance issues, yellow and
17 maintaining, NCS incidents, green and improving.

18 This last one, NCSS incidents.

19 Let me tell you the way these LPRs are
20 perceived by the public because they are not very
21 clear, frankly. They get picked up by the newspaper
22 and here's a newspaper article from the Pie County
23 News Watchman.

24 They are reporting on the LPR that was

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 just issued by the NRC. They're talking about the
2 nuclear criticality safety and radiation exposure
3 were additional health risks that were examined by
4 the regulatory committee. Those strengths were
5 identified in NCS.

6 Now, if I'm Joe Public and I'm looking at
7 criticality is a risk and here is a plant that has
8 no strength in that area, we all understand. It's
9 kind of colloquial and parochial. No strength means
10 there's nothing particularly noteworthy. You're in
11 compliance with current regulations. Everything is
12 safe.

13 But if I'm a public person, they have no
14 strength, they have no robustness, they have no real
15 margin in this area of nuclear criticality safety.
16 It doesn't look very good. But if you look at our
17 indicator with respect to NCS incidents and
18 violations, I can tell you we're green and it's a
19 quantitative number of what that means.

20 There is this disconnect right now. From
21 USEC's perspective and tying all this together,
22 you've got a work plan that is hardwired Part 70.
23 Our view of the LPR process compared to our internal
24 indicators, there's a mismatch.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 Our perception of the value to the public
2 in terms of timeliness and clarity and
3 predictability there's an opportunity to improve
4 that LPR process. We're in a position, frankly,
5 that we're ready now to work with the NRC on an
6 improvement in the LPR process specific to the gases
7 diffusion plants, which I think you're going to have
8 to do anyway since we're not a Part 70 licensee.

9 Now, we're right now enjoying a season of
10 very good communication with the NRC. There have
11 been recent personnel changes in the licensing
12 branch; the addition of Eric Leeds, Heather Aswood,
13 and Joe Gitter recently joined that staff.

14 We've had tremendous good communication,
15 candid communication. From the standpoint of having
16 the right people, now that you want to have some
17 detailed dates and milestones, it's a good position
18 to be in.

19 Frankly, there's motivation from our side
20 and from our management. For about a year now the
21 Board has asked us for this consistency between the
22 way the NRC rates us and the way we rate ourselves.

23 There was a very, very blunt tool that we used
24 internally called RPI, regulatory performance index.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 That index was a roll-up of NOVs that we
2 would have gotten, TSR violations that we would have
3 had, criticality safety incidents meaning we were
4 supposed to have two, double contingency. When we
5 lost one contingency that would be significant.
6 This regulatory performance index was a way to -- it
7 was really just added to see grossly where we were.

8 About a year ago when Walt started this
9 process, we put this whole RPI on hold and said, you
10 know, let's can this. This is not something that we
11 could compare to anyone else. We are the only ones
12 with this regulatory performance index so if it's
13 high or low, we really don't know.

14 There was this opportunity for us to come
15 up with one system across the fuel cycle licensees
16 that would show the promise of having an objective
17 way to compare ourselves so we put that on hold.
18 That's been on hold for over a year now.

19 From our standpoint right now is the time.
20 If you want to work with us, we are willing to do
21 that. The only caveat I would say is because it's
22 additional reporting, and you've called it
23 voluntary, but because it is additional reporting
24 and it involves additional effort on our part and it

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 involves, frankly, the sharing of information that
2 is for internal management tools, although the NRC
3 does get copies of it, has access to it through the
4 resident inspectors.

5 This is not something that the NRC hasn't
6 seen but it's not submitted, for example, on the
7 docket and it's not something in the public.

8 Because it's additional work, because it's
9 additional exposure as well in terms of some of the
10 details, we will be looking for that promise, that
11 quid pro quo that if you do this, there would be the
12 possibility of less inspections if you, in fact, are
13 showing good performance in a specific area.

14 Whether less inspection is in terms of the
15 content or the periodicity of it. It's not kind of
16 like we'll do something extra just because we have
17 extra people and extra resources that are idle.

18 It's more that since we're doing something
19 already, if we take this extra step and volunteer,
20 and since we're not really talking of a pilot
21 anymore but transition to working with you on this
22 revised LPR that as a component would have PIs,
23 what's the benefit from the licensee standpoint?

24 MR. HIGHLAND: Can I offer just a comment

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 back to that discussion? I'm Pat Highland. I
2 happen to run the inspection program over at the
3 Gases Diffusion Plants out at Region III. The LPR
4 that Mario is referring to I was responsible for a
5 lot of the decisions. I just wanted to fill in some
6 of the blanks.

7 As you know, our process allows an 18 to
8 24-month look is what we're trying to do in
9 assessment. We made a conscious decision back in
10 June of 2000 and we informed USEC that we were going
11 to delay what we had scheduled, an 18-month
12 assessment, out to 24 months right after they
13 announced the imminent closure of Portsmouth.

14 We don't want to go to an LPR, meet with
15 the public, and discuss all these technical issues
16 and have all these other issues be unknown. That
17 was a conscious decision that we made. We informed
18 the company.

19 The other point I'll just make with you is
20 when you go through the December '00 data here, it
21 is outside our assessment period. Our assessment
22 period ended September of 2000. That's okay. I
23 understand what Mario is pointing to.

24 Let me just pick the radiological controls

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 as a subject of conversation. We've got a site that
2 gets 10 rem per year for the entire site. Not one
3 person approaches 500 milligram. If you look at it
4 from a pure regulatory requirement, the site is not
5 required. You even have those measurements of their
6 work force with some exceptions. There are some
7 exceptions.

8 While I think it's very, very useful for
9 the company on a monthly basis to track these types
10 of performance indicators, it's interesting to note
11 that what you would consider as a yellow or white
12 possibly, when the regulator steps back and looks we
13 still consider you a strength.

14 That's really good that you do that, that
15 you consider it a white and you consider it a yellow
16 on your monthly reviews. You hold your hands to the
17 fire to keep your attention and all your site's
18 attention on those issues.

19 I think we'd be pretty well criticized by
20 NEI if we took an ALARA program, an ALARA approach,
21 and we were critical of the site that no one got
22 even close to 500 milligram whether it was internal
23 or external. All that went into our process and how
24 we came up with what our assessment were.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 I think they were valuable. I like your
2 idea of once we start collecting performance
3 indicators, certainly use them. We also emphasize
4 as you go to the latter part of the performance
5 review.

6 If you remember Portsmouth at the very
7 beginning of this assessment period, they had a very
8 dramatic fire on site in December of 1998. What we
9 gave them credit for when we looked at that two-year
10 period was the recovery from, the corrective action
11 to, and the improved performance of that site,
12 particularly in the operations area.

13 You've got to be a little bit careful and
14 not look blindly at one month's performance both
15 ways. Both on the positive side as well as on the
16 negative side. White and yellow, your yellow for
17 skin contamination might be a contamination event
18 that resulted in negligible or nonnegligible results
19 to the individual.

20 The very good performance indicator tells
21 you a lot of other things but what do you expect a
22 regulator to respond to? Does that help to fill in
23 the blanks?

24 MR. ROBLES: Our thresholds are below the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 regulatory thresholds.

2 MR. HIGHLAND: Yep. Let's do it.

3 MR. ROBLES: Because we want to be far
4 away from before the regulator says, "You've got a
5 problem." We want an opportunity for the management
6 to respond so you're right. On the one hand, we
7 would trip over ours first which is exactly what you
8 would want.

9 MR. SCHWINK: Mario, let me add two
10 perspectives and one from the public. Dave, jump on
11 me if I misspeak. If I'm not mistaken, the very top
12 cover letter in that next to the last paragraph said
13 we found USEC activities to be conducted safely and
14 nuclear material to be adequately safeguarded.

15 Then the next thing is we went through and
16 understand our strategic plan, maintain safety.
17 Don't ratchet, maintain safety. If in areas you're
18 meeting regulatory requirements, we treat it as
19 being tame.

20 When we go to your site and look at fire
21 protection and you have your own on-site fire
22 department, that's clearly an exemplary thing far
23 above regulatory requirements.

24 Where we said you need improvement, we

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 already said that you conducted it safely. You have
2 met the adequate safety. The issue we're talking
3 about is risk and in compliance space. If you had
4 not met the safety standards, you wouldn't be
5 operating.

6 Adequate safety at absolute minimum, no
7 question. The issue we're dealing with with
8 violations are where you are above the adequate
9 level and we're talking about acceptable risk and in
10 compliance.

11 MR. ROBLES: I don't want you to
12 misinterpret that I'm complaining but here is
13 another thing. Looking at the LPR. From my
14 perspective, it's not as sharp as it could be in the
15 area of hazardous chemical control, projected
16 challenges to performance, safe recovery processing
17 and storage of hazardous chemicals no longer needed
18 for operation of GDP.

19 Portsmouth is going to shut down in June.
20 There's going to be a number of hazardous chemicals
21 that are going to be taken out of systems and
22 stored. That's a potential challenge to
23 performance. There's no indicator that, in fact,
24 that's going to happen.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 It's almost like showing you're going to
2 be doing something new. Watch out. Be careful.
3 That's always true. Every time you do something you
4 watch out. With hazardous material be careful.

5 When it comes up in the LPR and the public sees
6 that and says, "Wow, that's a potential challenge.
7 Should I be worried they are going to be doing
8 something new? Is there an indicator of performance
9 in terms of procedures not being adequate, personnel
10 not being trained, that when they do something new
11 I've got to be worried?"

12 MR. SCHWINK: There is an indicator.
13 Experience. Forget looking forward. Where there
14 are recurring systemic difficulties is when the
15 plant's in an off-normal condition and when you're
16 doing nonroutine activities. Shutting the plant
17 down is clearly an off-normal nonroutine activity.

18 The challenge is as you go into it,
19 there's a whole culture there, a safety culture,
20 that is growing and should grow. There's a whole
21 safety culture that's mindset to routine operations
22 and normal playing conditions.

23 What we found experience wise, and you can
24 track this with events or violations, there is a

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 recurring systemic problem when it's not a normal
2 plant condition and when it's a nonroutine activity
3 that there's difficulty.

4 Now, not inadequate safety but there's an
5 increase in risk because of things like, "I failed
6 to do it because I haven't done that before and it
7 was my first time." Or, "I failed to do it because
8 I ran into an anomaly that I've never seen before."

9 The challenge is how to manage that
10 transition given that you are going to now be taking
11 hazards out of pipes. You are going to be taking
12 pieces of equipment that are contaminated out of
13 pipes. You are going to be literally uncontained
14 hazards that routinely and normally are contained.
15 It's a challenge.

16 MR. HIGHLAND: Your comment is good
17 because the LPR doesn't define that at all. We
18 spent a lot of time defining.

19 MR. CASTLEMAN: I'm going to jump in here.
20 I would like to get back on track with discussing
21 the work plan and where we're going.

22 MR. ROBLES: The comment is relevant to
23 the work plan meaning that you need another track if
24 you want to include Part 76.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 MR. CASTLEMAN: Bob has something he wants
2 to say.

3 MR. PIERSON: I was going to say I think
4 we'll consider your comment and we'll consider your
5 request for a separate track. We'll talk about that
6 but I think that's reasonable.

7 MR. CASTLEMAN: And I wasn't saying that
8 your comments weren't germane but the way the
9 discussion was going, it was becoming more of a
10 Portsmouth LPR discussion. If we had more time, I
11 would say --

12 MR. ROBLES: As an example just to show
13 why there is this need.

14 MR. CASTLEMAN: Oh, I understand.

15 MR. SCHWINK: Pat, could I ask a question
16 just to understand his comment? My understanding
17 today is, No. 1, you already have a safety analysis
18 that's more like a reactor than ISA.

19 We already know what you're relying on for
20 safety. You already have a corrective action
21 program that is more like a reactor corrective
22 action program. Plus you have performance
23 indicators that you use routinely. As far as you're
24 concerned, you're ready to step in today.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 PARTICIPANT: They are ready to start with
2 steps one and two.

3 MR. ROBLES: Right. We're further along.

4 MR. SCHILTHEM: Does this plan, though,
5 preclude that? I'm still having a hard time.

6 MR. PIERSON: He's not asking you to do
7 something. He's asking us to do something because
8 we're focusing on Part 70. He's Part 76. He's
9 asking us to do something for Part 76.

10 MR. SCHILTHEM: If you look at the
11 schedule, by August you've got licenses for
12 voluntary performance indicators.

13 MR. ROBLES: For example, the current
14 schedule has October of this year. The last task is
15 October of this year. I'm thinking there's no way
16 Part 70 people are going to be ready October of this
17 year.

18 MR. SCHILTHEM: Why not?

19 MR. ROBLES: Okay. It sounds like you're
20 signing up, Steve. We could be wrong.

21 MR. SCHILTHEM: This plan works in the
22 absence of voluntary performance indicators. Why
23 not?

24 MR. KILLAR: I will take one exception,

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 that we have indicated that the LPR process is not
2 timely with the two year. We suggest that it be one
3 year. I certainly don't believe anybody would agree
4 to month to month as you are proposing.

5 MR. SCHILTHEM: No.

6 MR. CASTLEMAN: I didn't get that either.

7 I just want to say a couple of things here. As far
8 as having separate track, the way we've structured
9 this program is to be inclusive with the Part 40,
10 Part 70, and Part 76 licensees.

11 We also have the flexibility. It's
12 flexible enough to be implemented at each facility
13 to the extent that the facility is ready. Basically
14 if the meat's not there, you can't make the
15 hamburger. Okay?

16 So I would anticipate that we would be
17 able to move faster at implementing this at the GDP
18 based on the information that you just provided and
19 some of it very well. That was the first thing.

20 As far as developing three tracks, I don't
21 think that's practical. I don't think it's
22 necessary because we're not locking in. You know,
23 we're not tied down to such a level of detail.

24 The second issue is regarding the LPR and

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 the LPR structure untimeliness. I do agree with
2 your comments. In fact, that was something that was
3 brought up at the December 20th Commission meeting
4 in terms of what is it we need from an assessment
5 process.

6 Timeliness and technically accurate
7 findings and predictable results are three things
8 that were put on the table. I think I listed five
9 or six things in response to, I think, it was
10 Commissioner McGaffigan's question. Those are the
11 kinds of changes to the LPR process that we would be
12 making.

13 I just wanted to say that I'm very
14 receptive to your comments. I really don't think
15 again that they are really any different but from
16 what everybody has put on the table today, and I
17 would even add that this is -- how can I say it?
18 Your summary here is kind of a poster child for why
19 it would be good for everybody to -- for us to move
20 in the direction of changing the LPR process.

21 MR. ROBLES: The only thing I would
22 disagree with is the everybody because I can't speak
23 for the Part 70 people.

24 MR. CASTLEMAN: I'm not speaking for them.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 I'm making an assertion. I'm just making that
2 assertion. I think if everybody sits down and
3 thinks about it, they'll agree because the more
4 timely and more robust and more predictable the
5 assessment process is to everybody's benefit. It's
6 to the NRC's benefit just in terms of us being able
7 to carry out our mission in an effective and
8 efficient way. It's the licensee's benefit.

9 MR. ROBLES: We've been saying that for a
10 year. We've been in violent agreement for the last
11 year that it's to everybody's benefit to do that.
12 I'm just saying that when it comes time to fleshing
13 out the details, the paths are going to start to
14 diverge and you're going to have to negotiate.

15 MR. PIERSON: I'll put a little bit of a
16 damper on that assertion, and that is we are
17 somewhat resource constrained. If we do it more
18 often, it requires more resources. We acknowledge
19 that it's useful but, you know, in contrast to other
20 things that we might do, we've made the decision, at
21 least at this point, to do the LPR in agreement.

22 MR. CASTLEMAN: Okay. Conceptually what I
23 was thinking is that the LPR is that we're going to
24 have a more efficient LPR that will not be more

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 resource intensive but rather less.

2 I also just wanted to say particularly for
3 Dave Lochbaum, I think it's also of more benefit to
4 the public. I don't know if you have any thoughts
5 on that.

6 MR. LOCHBAUM: Just that I agree.

7 MR. ROBLES: Isn't that part of the reason
8 that the -- the resource constraint was part of the
9 reason if the licensee has provided the NRC
10 information you don't have to go out and check as
11 often.

12 Just make sure that the information you're
13 getting is complete and accurate. You, in fact,
14 save resources eventually but right now while you're
15 building the process it takes resources to put it in
16 place. Eventually it's going to free up resources.

17 MR. CASTLEMAN: We would hope. I guess
18 we'll be in more future discussions on how to
19 implement or incorporate performance indicators at
20 the GDPs in our inspection and assessment plans for
21 those plants. I hope I heard you volunteering.

22 MR. ROBLES: Absolutely. If there is a
23 mutual benefit, then there's an interest.

24 MR. CASTLEMAN: Okay. Any other thoughts

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 on work plan? Okay. Seven minutes after 12:00 now.

2 Our next item was to discuss any changes to the
3 plan, any possible plan changes.

4 I wanted to see if there were any
5 proposals at this point as to how things should be
6 reordered and maybe deleted, changed, or whatever.
7 I suppose where we could start is with Item 10 on
8 the common defense and security oversight
9 cornerstone.

10 Does anybody have any changes they would
11 like to propose to that item in terms of either the
12 schedule date or the substance?

13 MR. PHILLIPS: I don't think we do 10
14 until we complete 9.

15 MR. SCHILTHEM: We are already behind
16 schedule so we've got to change the date.

17 MR. PHILLIPS: The dates won't hold.
18 That's for sure because 9 implies that we've already
19 developed -- 10 implies that we've already developed
20 a cornerstone and issued it for comment which we
21 haven't done yet.

22 MR. CASTLEMAN: Okay. One of the things
23 that this was hinging on was a discussion with
24 licensees or with some experts that NEI had. This

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 is my understanding.

2 Walt, can you help me out on this one?

3 MR. SCHWINK: When we went through the
4 cornerstones. We had agreement in concept but
5 industry wanted to have its "safeguard" experts
6 attend to go over it. My comment was the kinds of
7 things we would discuss would not be classified.
8 You could discuss them in an open meeting.

9 MR. CASTLEMAN: Okay. So we're still
10 waiting for that to happen.

11 MR. SCHWINK: Well, we actually had it
12 scheduled. Felix had it scheduled for August and
13 then it got postponed. Industry decided that they
14 couldn't make that.

15 MR. CASTLEMAN: Okay. So I guess I would
16 just ask industry, NEI particularly, do they have a
17 proposal how we should proceed with this particular
18 issue.

19 MR. KILLAR: Actually, my recollection is
20 different than Walt's recollection. My recollection
21 is that Walt was insisting on a classified
22 discussion. We tried to get some classified people
23 together and there became an issue of having a
24 facility that they could have a classified meeting

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 in, whether it be it DOT or NRC facility. The ball
2 kind of dropped from there.

3 MR. SCHILTHEM: I can make a
4 recommendation to get us off the ball.

5 MR. CASTLEMAN: Yeah.

6 MR. SCHILTHEM: We've got a conceptual
7 agreement on cornerstones and I think performance
8 areas, what we call alignment or whatever the heck
9 word we use. We've reviewed those. I don't know if
10 we specifically commented on those.

11 MR. SCHWINK: You wanted to wait until we
12 had the experts but it does not have to be requested
13 by me.

14 MR. SCHILTHEM: Given that this is an
15 evolving process, I will suggest that it doesn't
16 have to be perfect at this point and we do a quick
17 and dirty one last review and say it's done because
18 there wasn't a heck of a lot of disagreement about
19 the cornerstones or the performance areas. Maybe
20 with some conversations between staff and two or
21 three licensees involved we could just get this off
22 our table.

23 MR. SCHWINK: By the way, every licensee
24 except for Honeywell are going to be looking at

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 safeguards.

2 MR. SCHILTHEM: We had some pretty general
3 alignments. Let's not make this harder than it is.

4 MR. CASTLEMAN: Okay. So what we'll do is
5 I will promulgate the material that has been agreed
6 to up to this point in terms of conceptual
7 agreement. I'll get that out by, say, the middle of
8 next week.

9 MR. SCHWINK: Actually, it's already out
10 there.

11 MR. CASTLEMAN: Okay. Then I will verify
12 that it is all out there and shoot out an e-mail to
13 all the stakeholders saying, "Hey, take a look at
14 this. This is where you can find it. If you have
15 any comments, it's out there for your review."

16 Basically whatever I hear back by the end of
17 the month, by February 28, will be incorporated.
18 We'll address it and then we'll get back on track
19 for the March 9th date for Item 10. We'll just call
20 it a done deal in recognition or recognizing that it
21 is going to be an evolving process. I think that
22 was a good proposal from Steve.

23 Any other comments on that? Okay. Next
24 item is going to be corrective action guidance. I

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 guess this is where NEI is going to caucus with the
2 utilities and get back to us on exactly how to
3 proceed and when things are going to happen.

4 MR. KILLAR: In other words, we are going
5 to caucus the fuel cycle people, not the utilities.

6 MR. CASTLEMAN: Okay. That's my reactor
7 side coming out.

8 MR. KILLAR: I was picking on you. I know
9 that.

10 MR. CASTLEMAN: That's fine. You're
11 right. You got to keep me honest here.

12 Okay. The next issue is inspection
13 findings significance determination. About two
14 weeks from now we should be posting on the web a
15 first cut significance determination process. This
16 is something that is going to be very evolutionary.

17 I think based on the reactor side experience, we
18 probably will need to have maybe a couple different
19 versions of it for different types of issues or
20 findings and so forth. First I want to get a tool
21 out that people can chew on and we can start using.

22 Does anybody have any comments on the proposed
23 dates for Items 12 and 13?

24 MR. SCHWINK: Can we make that date?

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 MR. CASTLEMAN: Item No. 12, we're going
2 to make that date. It's going to be a rough cut but
3 I think just for the sake of keeping things moving,
4 as long as we get a rough product out there, that we
5 can actually chew and have it out there as the
6 strongman that everybody can beat up. Walt is
7 shaking his head.

8 MR. SCHWINK: I don't think I could come
9 up with it in two weeks and I've been sitting on
10 this for over a year and a half.

11 MR. CASTLEMAN: Okay.

12 MR. SCHWINK: That's my personal opinion.
13 I mean, you guys are smarter than I am.

14 MR. CASTLEMAN: Okay. Then what would be
15 a good date to revise it? How long do you think it
16 will take? You're smarter on this project than I
17 am.

18 MR. SCHWINK: First of all, it ought to be
19 a team evolution and should be a strongman, not a
20 product just to say here it is. The ground work is
21 already laid. We've already identified them and put
22 them out there and we did it in the September
23 meeting.

24 There is a slide that has green, yellow,

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 white, and red on it. I'm not sure that was focused
2 on but it says here so many times you can have
3 broken controls and still be green, still be white,
4 still be yellow.

5 The issue that you need to deal with is
6 not so much where you have an engineered feature
7 failed or you have a human performance failure.
8 Those are easy because either they did or they
9 didn't.

10 The ones that are tough are the management
11 measures of degradation and failure. For example,
12 you miss a surveillance frequency. I can't tell you
13 tomorrow that you're going to have a failed control
14 because you missed the surveillance frequency, but I
15 know somewhere down the pike you're going to have
16 one.

17 Maintenance is the same way. If you miss
18 a maintenance, I can't convince you that you'll fail
19 tomorrow but somewhere down the pike it will fail.
20 Coming up with those performance measures in terms
21 of an inspector found a missed surveillance or a
22 missed maintenance or a missed calibration and
23 putting a risk significant threshold in performance
24 space out, that's the tough one.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 It's a management measurement which, if
2 you think about it, it's not so much we go out and
3 find failed equipment or failed human performance.
4 We go out and find they missed their surveillance,
5 they missed a maintenance, they didn't document
6 something. In reality space the control is working
7 and it's safe but it's not documented.

8 Somewhere down the pike history has showed
9 us that if you don't document it, you don't do
10 things like control configuration, control
11 maintenance, surveillance testing, calibration,
12 procurement, all that stuff. Today to tell you how
13 risk significant that is, that's a tough call. The
14 management measures are going to be the tough one.

15 To answer your question, I think probably
16 if you dedicate the team to it, you're probably a
17 month and a half away from having a strongman.

18 I realize that your team might be more
19 cohesive than Pat and Ed and myself because we
20 tended to fight with each other a lot before we came
21 up with something. I mean that in a positive way.

22 MR. CASTLEMAN: Okay. So really you would
23 say that's going to be possible by like the first of
24 April which is a month and a half.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 MR. SCHWINK: Assuming you start this
2 week.

3 MR. CASTLEMAN: Okay. I don't know if
4 that's going to be a done deal, you know, that
5 revised date but that's one of the things in
6 resolving the outcomes of this meeting that we'll
7 come up with. Of course, that will back up Item 13
8 which is essentially the significance determination
9 process that we would be implementing initially.

10 MR. SCHWINK: Pat, do you agree?

11 MR. HIGHLAND: Yeah.

12 MR. SCHWINK: Pat was the other team
13 member.

14 MR. CASTLEMAN: Okay. Does anybody have
15 any other comments on that particular issue or item?

16 Okay. On to the NRC inspection program. This is,
17 I think, one that David Ayes was particularly
18 concerned about, trying to develop the inspection
19 program and procedure changes.

20 Of course, I also have some concerns about
21 having development of program and procedures for
22 stakeholder comment. I was wondering if anybody had
23 any comments on that particular item, particularly
24 the timing of it.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 MR. SCHWINK: Just offer an insight. One
2 of the things we saw as a value and, again, this is
3 our perspective, was rather than us sitting in the
4 dark and writing a set of procedures, just simply
5 have a strongman and then evolve in a meeting with
6 the stakeholders the actual procedures. They knew
7 the predictability of it. They knew the reason for
8 it because they were part of it. It's a slow way of
9 doing it but nobody gets surprised when it pops out
10 the end.

11 MR. CASTLEMAN: Okay. But basically this
12 is referring to the entire body of inspection
13 procedures. Right?

14 MR. SCHWINK: I would do them by groups
15 like the first thing I'd take on would be MC&A. The
16 second one I'd take on is physical protection. If I
17 were going to bet, that's where you'll get immediate
18 benefits.

19 MR. ROBLES: So what you're thinking of
20 doing when you go through an MC&A procedure, you go
21 through what you do now and next to an activity you
22 would put optional and it's optional that the
23 performance indicator is provided voluntarily and is
24 acceptable. You skipped that part. If it isn't, if

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 you don't have a performance indicator, we do that
2 part just like you do it now.

3 MR. SCHWINK: What we talked about
4 conceptually, and this is going back over a year ago
5 now so you're right, the potential benefit of having
6 a valid performance indicator is to extend the
7 frequency of the minimum core inspection.

8 The first question is what's a minimum
9 core to be able to look at something and decide
10 based on what they looked at that you're fairly
11 confident that that risk of lost attridiversion of
12 nuclear material is being controlled well.

13 If you don't have a performance indicator,
14 you've got to put in more core inspection to get
15 what the performance indicators will tell you.
16 There's a core for people who have performance
17 indicators and then there's a higher core where
18 there are no performance indicators.

19 MR. ROBLES: But you're not getting any
20 more inspection than you're getting today.

21 MR. SCHWINK: Well, with performance
22 indicators you have less.

23 MR. ROBLES: That's right. That's what
24 I'm saying. Are you going through these procedures

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 and taking out things? Not take them out completely
2 but take them out only if.

3 MR. PHILLIPS: He's making an assumption
4 here that it has to do with the procedures. There
5 are two aspects and I think Walk is addressing time
6 frame and you're addressing content.

7 MR. ROBLES: Well, I'm going to get to
8 content but the benefit --

9 MR. PHILLIPS: Assuming you did the same
10 procedure, the point we're making is if you have a
11 performance indicator, you may get one inspection in
12 the entire LPR cycle as opposed to getting one every
13 three months or six months or eight months or a
14 year. You may have half as many inspections, a
15 third as many inspections and produce scope and
16 write scope.

17 MR. ROBLES: You're talking about
18 frequency and scope.

19 MR. PHILLIPS: Exactly.

20 MR. SCHWINK: Don't forget that we get
21 performance indicators even if they don't call them
22 that. I get event reports. I get curtesy
23 notifications. Licensees aren't required but they
24 do it. It's a standard of excellence to say, "Hey,

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 I just want to let you know we had this problem."

2 We only get those.

3 As you know from what I gave out, there
4 are thousands of reporting requirements down to the
5 level of half a gram, the U235 being missing or
6 stolen.

7 There are things and, as Felix said, we
8 don't want to create new worlds when we could make
9 better use of all those thousands of reporting
10 requirements we currently have. We do have
11 indicators.

12 What would be nice is to have a set of
13 indicators that rather than being event related are
14 more process oriented to say, look, the process is
15 working. It's going out and finding the problem and
16 correcting it before it becomes a problem.

17 Problems always happen. I see the biggest
18 return the soonest in MC&A and physical protection
19 space. According to Keith Everly, he sees the same
20 thing in the classified material brief.

21 MR. CASTLEMAN: Regarding this work item,
22 I want to just put out a general question, and that
23 is what do the people here think should be involved
24 in developing these program or procedure revisions

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 just in terms of scope of the revisions out of
2 detail.

3 MR. SCHILTHEM: From what I've heard, Walt
4 suggest that you throw them all away and start over.
5 That seems a little radical.

6 MR. CASTLEMAN: Okay. Putting radicalness
7 aside, does --

8 MR. SCHILTHEM: Or aggressive. Whatever
9 word you want to use.

10 MR. CASTLEMAN: April 27, 2001. Is that a
11 realistic date for rewriting the entire program?

12 MR. PHILLIPS: I don't think so,
13 especially since the programs are also going to
14 depend on -- well, if you didn't write the program,
15 whether there's performance indicators or not, from
16 that standpoint you have to factor in with version
17 or without version.

18 MR. PHILLIPS: I don't think your program
19 is that broken. It may need to incorporate what you
20 learn out of the significance determination process.

21 It may need to decide based on the cornerstones of
22 performance areas whether you're current right now.

23 In general, beyond that step, I don't see it as
24 being that broken. That's my personal opinion.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 MR. AYRES: In the existing program the
2 procedures have a lot of overlap between areas it
3 seems like. I mean, I'll go out and use the
4 management controls, inspection module, or I'll look
5 at audits and assessments. Then the safety guys
6 come and do the safety module.

7 A piece of that is looking at audits and
8 assessments of crit safety. Then the rad protection
9 guys come and a piece of theirs is looking at audits
10 and assessments. There's a lot of overlap in the
11 existing system.

12 Also with the existing system there's a
13 lot of things in the procedures where it tells the
14 inspector to look at things that aren't requirements
15 for the licensee. There's a lot of things in there
16 that need to be adjusted.

17 The other thing is how you structure your
18 inspection program as to how many procedures do you
19 really need to look at the important areas. All
20 those types of things need to be answered when we
21 get together as a group and make that kind of
22 decision.

23 MR. SCHWINK: Understand the significance
24 of what he just said. Take the management measures

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 in Part 70. Every time a rad guy, a chem guy, a
2 crit guy, a fire guy, and MC&A guy, a physical
3 protection guy, or a classified material guy goes
4 out and looks, he repeats all those management
5 measures.

6 My contention is one time. If the
7 management measures are working, they are working in
8 all those areas so you just chopped off a bunch of
9 procedures and you just chopped off overlapping
10 duplicate inspections.

11 I would rather take the resource and focus
12 on what is more risk significant than what's more
13 controlling of risk, that the principal control and
14 the root causes for that control not being operable.

15 And then the corrective action program, how much
16 you can rely on that in terms of confidence.

17 I will offer to you, and I'm sorry
18 Westinghouse and NSF isn't here, there are a list of
19 questions and I'm disappointed Dennis couldn't spout
20 them off to you. Those questions are linked to the
21 mission and the strategic plan.

22 David, I think you've seen them. I'm not
23 sure. That's what I'm expecting of my inspectors as
24 a manager. I don't want them wasting time with

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 things that aren't missing. I want them to focus on
2 what is missing.

3 I've laid out questions and told them
4 that's my expectation. Those questions will get to
5 the heart, the root causes, of risk significant
6 problems and that's what we should be focused on.

7 Then when we come back to the nonsighted
8 violation, the deviation, the nonconformance, or
9 Level IV violation, they should be based on that
10 risk significance and how that broke thing has
11 increased risk in whatever process it was being used
12 in.

13 I am doing that with my inspectors now.
14 One of the reasons is I don't have enough inspectors
15 to do everything, and I shouldn't have enough
16 inspectors to do everything. The key is focusing on
17 what is really risk significant.

18 My inspectors are supposed to ask you at
19 the entrance what are the dominant hazards. Where
20 are they. What are the dominant risks and where are
21 they. What are the principal controls controlling
22 the risks and where are they.

23 What has been the dominant root cause for
24 those controls failing and what has your corrective

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 action program done and how are your management
2 measures ensuring that all that happens.

3 Literally when he walks on site, he should
4 be asking those questions at the entrance. Your
5 answers combined with his understanding based on
6 events, previous inspection findings, occupational
7 exposures or leases, affluent releases, real world,
8 all that consideration plus anything that is
9 changing and new in the licensing agreement.

10 Then with that judgement he's going to go
11 out with his answers to those questions and ask you
12 those questions. Where there's a difference try to
13 understand where those differences are. Based on
14 the answers to those questions, that's where he's
15 going to focus his inspection. If he finds
16 something, there should be no issue, no surprise.

17 Yes, it's risk significant. Yes, it's a
18 personal control. Yes, it's a recurring root cause.

19 Yes, your corrective action program missed it.
20 There should be no disagreement.

21 If we get good enough with this, there's
22 another issue I'm pushing which is a 591 inspection
23 report. Before the inspector leaves the site, you
24 see what the inspection report says and you sign it

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 to agree with it, or you don't sign it because you
2 don't agree with it. That way no surprises a month
3 later when you get an inspection report that's
4 different than what you inspected.

5 MR. SCHILTHEM: Sounds to me like the NRC
6 needs to go off and decide what they need to do with
7 their inspection modules because as a licensee we
8 are mildly interested. I'll tell you, we don't have
9 a lot of input.

10 MR. SCHWINK: Does the word fees mean
11 anything?

12 MR. CASTLEMAN: The bottom line is I think
13 you're right, Steve. I think we have to take this
14 piece here and if it's going to be global, the date
15 has to be moved several months into the future.

16 If it's not going to be -- if we want to
17 keep the date or keep some kind of semblance of a
18 date some time this coming spring, then what we're
19 going to need to do is just come up with some
20 limited scope changes probably to the manual chapter
21 just to realign our inspection procedures in
22 accordance with cornerstones.

23 Also maybe put some inspection guidance in
24 there like the 10 questions that Walt is giving just

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 in terms of focusing inspectors on how to implement
2 each inspection procedure. Then, say, for the
3 future the specific revisions to each inspection
4 procedure and to try and rationalize them so that we
5 get rid of some of the overlap and so forth. I
6 think that's probably what the team, me and David
7 and Monte, have to get together on and figure out
8 just what we want to do there.

9 MR. AYRES: In this No. 14 should be
10 divided up into actually two items. One to just
11 develop what the program structure is going to be
12 like, and then after that start on the procedures.

13 MR. CASTLEMAN: In fact, I think that
14 might be what we have to do is turn this into the
15 structure part and then save the procedure
16 development for beginning sometime later in the
17 summer even just recognizing that's going to be a
18 work in progress and it's going to go for maybe as
19 long as two years. I could see it happening that
20 way.

21 MR. PHILLIPS: I don't disagree with that.

22 MR. CASTLEMAN: If we're going to do it
23 right.

24 Okay. Let's see. NRC response for risk

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 significant performance. That is something that
2 we're looking at coming up with a strong M4 and
3 putting it on the street in May. Any comments on
4 that one?

5 Okay. Next one. Enforcement policy.
6 I've been in contact with John Levinsky in the
7 Office of Enforcement and we're talking about having
8 something together just as an initial cut sometime
9 in April. I'm not sure if that's going to dovetail
10 with the Office of Enforcement's priorities.

11 Bill, do you have --

12 MR. BORCHARDT: I don't envision anything
13 much more sophisticated than just saying that
14 whatever significance determination outcome is, that
15 the enforcement sanction will be in concert with
16 that. There will be equivalent enforcement
17 sanctions based on the significance of the findings.

18 I don't see it as being a highly complex change.

19 MR. CASTLEMAN: Okay. Great. Thanks.
20 Any other comments? Am I going too fast? Good.
21 Overall assessment of licensee performance. We're
22 looking at having something on the street in May.
23 Again, I think that is probably doable.

24 The performance indicators, I think we're

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 still on hold with that, although it sounds like we
2 have a volunteer to maybe come up with like a mini
3 pilot on that. We'll see what we can do there.

4 Then the plan for implementation. That
5 item needs to be modified to reflect Dave Lochbaum's
6 comment on how we're going to judge the -- assess
7 the effectiveness of the new process.

8 Is there anybody here who thinks that or
9 believes we have missed something or that there is
10 something on here that needs to be taken off? Okay.

11 I guess the silence seems to indicate that, at
12 least, as far as the contents of the work plan we
13 are all pretty much in agreement.

14 Aside from the timing issues we've
15 discussed, and keeping in mind that this plan is
16 flexible, we're not in a locked step here. Does
17 anybody see any need for any changes to milestone
18 dates other than what we've discussed. Okay.

19 MR. SCHWINK: You all know we have a
20 strategic plan and that is literally our management
21 is managing all that. In that context in our
22 operations plan, which we did evaluate it against
23 every quarter, I volunteered to my management and
24 they put it in as my performance measure personally,

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 my section, my personal performance indicator
2 nonrecurring risk significant events.

3 If I affected in my inspection, I'll find
4 problems that cause recurring risk significant
5 events and reduce it before the event -- prevent it
6 before it happens. Actually what it is, it's your
7 responsibility but if I'm affected with my
8 inspection, I'll cause a situation where there are
9 no recurring risk significant events. I didn't say
10 noncompliance. I said risk significant.

11 MR. CASTLEMAN: Okay. We're now at the
12 12:15 milestone of our schedule and it's 12:37.
13 That is wrap up of work plan discussion. I think we
14 pretty much have summarized the changes that need to
15 be made and I think I would like at this point to
16 move on to the communication plan very quickly.

17 The communications plan has been on the
18 street for some time and I think it's pretty much a
19 done deal. The major comments that we received on
20 the communications plan, again, were from NEI and
21 from Dave Lochbaum and David Ayres.

22 David Ayres' main concern was that -- he
23 had actually two concerns. One of them was that the
24 plan needs to be revised to reflect the fact that

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 we're not performing a pilot. That's a revision
2 that we're going to incorporate into the plan.

3 Anyway, he also said at some point we need
4 to have a procedure in place for implementing the
5 plan. I was wondering if you could sort of amplify
6 on that a little bit.

7 MR. AYRES: Well, you know, the plan
8 states what we're going to do pretty much or what we
9 plan to do. There are things in there that even
10 though we know what we're going to do, we're not
11 sure how we're going to do it yet. Just
12 specifically looking at this.

13 MR. CASTLEMAN: When to have public
14 meetings?

15 MR. AYRES: Yeah.

16 MR. CASTLEMAN: Okay. So it's more of an
17 implementation plan that you're looking for.

18 MR. AYRES: Right.

19 MR. PHILLIPS: Can we stick that in here
20 or do we do that separately?

21 MR. CASTLEMAN: I think that would be
22 something separate. That would be something that we
23 have to develop. That's more of a living document.
24 Not that this isn't a living document but it would

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 be something --

2 MR. PHILLIPS: Lower tier.

3 MR. CASTLEMAN: Yeah, lower tier.

4 Something that, for example, each regional office
5 should probably take the lead on I think. Something
6 like that, because you all are the ones with the day
7 to day contact with the licensing facility.

8 MR. PHILLIPS: And my only comment would
9 be to implement the SECY paper which really
10 addresses communications big time.

11 MR. CASTLEMAN: Right. That's a separate
12 issue and I'm not going to try to get in front of
13 that 800 pound gorilla.

14 Neill.

15 MR. HOWEY: Pat, if you look at Appendix B
16 early on there was listed some milestones there as
17 this thing evolves with the intent to plug them into
18 a schedule once this program reached the point where
19 it made sense to pull the trigger on this thing and
20 get it implemented.

21 MR. CASTLEMAN: Right.

22 MR. HOWEY: These can be easily
23 incorporated into a work plan schedule for how to
24 implement this thing.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 MR. CASTLEMAN: Okay. So basically more
2 than anything as far as the implementation plan goes
3 then, we've already got the plan. We just have to
4 put dates on it.

5 MR. HOWEY: Make it work.

6 MR. CASTLEMAN: Great. Okay. That makes
7 me feel a lot better.

8 MR. SCHWINK: Now for a comment about the
9 public communications.

10 MR. CASTLEMAN: Yeah.

11 MR. PHILLIPS: A gentleman scholar from
12 the Nine Government Group has excited the Commission
13 to the point that they very, very quickly want to
14 fix stakeholder involvement and also public
15 involvement and they are dead serious. That's
16 another performance indicator.

17 MR. CASTLEMAN: Right. And that's
18 reflected in the December 20th SRM or the SRM from
19 the December 20th meeting. That's what I was
20 talking about.

21 MR. SHERR: They've made copies of that
22 for anybody who might have some interest expressed
23 in that.

24 MR. CASTLEMAN: The next comment.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 MR. SHERR: David, you want to say
2 something?

3 MR. CASTLEMAN: I was going to you anyway.
4 It's your turn.

5 MR. LOCHBAUM: I just want to address that
6 one point. Those efforts, that very, very quickly
7 thing, I'm not sure by what scale that's measured.
8 The current date is, I think, April 6 for the
9 meeting we asked for on December 20th and that's
10 already slid twice so it may not be done before
11 October of 2001. I don't think that's going to
12 impact what you're doing here.

13 MR. SCHWINK: Did you get an evaluation
14 form for how effective this was, the stakeholder
15 communication?

16 MR. LOCHBAUM: I don't believe that either
17 because I've asked one time for somebody to call me
18 on the form and I haven't received a call yet. I
19 can fill this form out and send it in but nothing is
20 happening with these.

21 MR. SHERR: If you tell us to call you,
22 we'll call you.

23 MR. LOCHBAUM: I've already done that.
24 I've checked the little box, put my name and

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 everything, and nobody has ever contacted me. So
2 this is a great tool.

3 MR. HOWEY: I don't know, Dave. I used it
4 and I'm getting more phone calls about meetings and
5 things than I ever have in my whole life.

6 MR. CONNELLY: They think of you
7 positively.

8 MR. SCHWINK: Dave, let me put it this
9 way. For us mere mortals the heat is really on.

10 MR. CASTLEMAN: Okay. Dave Lochbaum sent
11 in some comments on communication plan. The first
12 one was that he had difficulty reading the plan. T
13 his is the RTF file when displayed on my computer
14 screen was too small to read except for the left-
15 hand menus.

16 Basically this has to do with the formats
17 we were using to e-mail out and/or post on the web
18 our documents. That's something that we're working
19 on. I think this particular issue we solved.

20 MR. PHILLIPS: Let me ask a quick
21 question. Isn't this publicly available in ADAMS?

22 MR. CASTLEMAN: The communications plan --

23 MR. PHILLIPS: I don't know if that helps
24 you. That may be a separate problem. I don't know.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 MR. CASTLEMAN: The communications plan is
2 we also took the two NEI comment letters and we just
3 put those into ADAMS.

4 MR. PHILLIPS: Okay.

5 MR. SCHWINK: You might want to mention
6 that you had Tony send a shotgun e-mail out to ask
7 Cal if he could include the e-mail so they are more
8 readable. I assume everybody got that.

9 MR. CASTLEMAN: I would think so because
10 it did go out. That's one thing I would say is if
11 you have even a minor problem, just send an e-mail
12 to Tony Chives and cc me because chances are if one
13 person is having a problem, even if it's a minor
14 problem, somebody else is probably having it.

15 What we want to do is just make sure that
16 we can get the information out to everybody on time,
17 or everybody at the same time and in a timely
18 fashion and that the information is readable and
19 usable.

20 If we don't know, we can't do anything
21 about it. I think Dave Lochbaum's problem here was
22 solved fairly quickly as soon as we found out about
23 it and I do appreciate Dave getting back to us.

24 Then Dave also said for the initial local

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 public stakeholder meetings and the follow-up local
2 public stakeholder meetings the NRC staff will
3 solicit input from the public. During the course of
4 these meetings it is strongly recommended that the
5 NRC staff clearly articulate how this input will be
6 handled.

7 The staff could respond to each comment
8 via formal letter or compile a cumulative listing of
9 public comments that are addressed and posted on the
10 web site or use some other means. A public
11 stakeholder should leave these meetings with a clear
12 understanding of how he or she can monitor and see
13 how the NRC staff addressed his or her input.

14 Just as an initial comment on that one --
15 talk about a timely response and here we are -- is,
16 I think, right in line with the agency's response to
17 the December 20th SRM. We're going to follow that
18 kind of guideline. Does that satisfy you?

19 MR. LOCHBAUM: The concern that is
20 expressed there came as a result of the experience
21 with the reactor oversight process. I went to any
22 number of meetings and provided same comment at
23 every single meeting that never got addressed. I
24 got plenty of opportunities to provide that comment.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 I got zero opportunities to be addressed.

2 Providing me more and more opportunities
3 to make the same comment is very efficient for me
4 because I can just roll it out but it's not
5 addressing the concern.

6 Industry had on the reactor oversight
7 process several mechanisms to make comments. They
8 posted frequently asked questions on the web site
9 and the mechanisms for every comment that was made
10 was catalogued and responded to. The public wasn't
11 afforded that same thing.

12 That's all I'm saying is that there needs
13 to be some mechanism. It doesn't have to be the
14 ones I suggest to you but there has to be some way
15 for the people who make a comment to be addressed.

16 The reason I brought that up is because
17 I'm not sure the evolution that came out of the
18 December 20th SRM is going to be resolved anytime
19 soon. I don't have great confidence that it will
20 end soon. I think your program should address that
21 issue separate.

22 MR. CASTLEMAN: Okay. I will address it.

23 Exactly how I'm going to do it I don't know. I do
24 need to take action on that particular comment.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 MR. HOWEY: Pat, we put a motherhood in
2 here about that under strategies. We added in there
3 the active listening principles will be used to
4 ensure proper understanding of stakeholder input in
5 terms of understanding comments that we received
6 from the different forums as a way to know what we
7 need to respond to.

8 It doesn't fully address what they say
9 here but I think it at least raises the bar a little
10 bit about listening to the comments and getting back
11 to the people.

12 MR. CASTLEMAN: Okay. I would agree with
13 that whole heartedly what you just said. I think
14 the action that I just signed onto was to come up
15 again with the actual implementation strategy, the
16 actual way to do that, the mechanism. For example,
17 frequently asked questions.

18 I notice on our technical conference web
19 site we have a place for e-mail comments and so
20 forth. I haven't learned how to use that but one of
21 the things that has crossed my mind is that maybe I
22 could set up discussion threads in there.

23 MR. LOCHBAUM: I tried to access that from
24 the public document room downstairs and can't get to

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 the technical part. It's prohibited. There's a
2 firewall and you can't get to it from the public
3 document room.

4 MR. CASTLEMAN: Can you get to it from
5 your computer in your office?

6 MR. LOCHBAUM: Yes. Anybody who wants to
7 get to it can come to my office and use it.

8 MR. CASTLEMAN: Okay. I've got to write
9 that down.

10 MR. SCHWINK: That's even better than
11 ADAMS.

12 MR. CASTLEMAN: So you can't even get into
13 the technical conference web site at all?

14 MR. LOCHBAUM: Not from your offices, no.

15 MR. CASTLEMAN: Geez Louise. Never mind.
16 I'm not going to go there.

17 Okay. Anyways, as far as that goes,
18 setting up the discussion threads and maybe finding
19 a way to use that as the place to put the comments.
20 Just summarize them or something, the comments and
21 responses.

22 It's going to take work obviously on NRC's
23 part to catalogue the comments much like they were
24 doing on the reactor side. I think that's another

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 thing I need to do is touch base with the reactor
2 folks and see how they did it and their process for
3 at least getting the comments and cataloging that.

4 It is doable or it fits with what we are
5 doing. Then I should be able to take it the next
6 step and that is respond to each one. I think that
7 was your concern as to the actual response, going
8 that next step.

9 MR. LOCHBAUM: The communications plan has
10 a step in there under the strategies that Bill
11 mentioned. NRC would solicit input and provide
12 timely feedback was the second part that you
13 mentioned that was kind of lacking before. You seem
14 to understand and I'm sure will cooperate.

15 MR. CASTLEMAN: Right. Okay. I think in
16 Dave's comments that was -- okay. Although not
17 specifically stated, I assume that because the
18 training described under the training activities
19 will be open to the public, training handouts will
20 also be publicly available. I would assume that is
21 a good assumption. It is something we will have to
22 keep in mind.

23 Okay. Then he says overall the plan looks
24 very good and he appreciates the time and effort

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 that went into it. I'm sorry. I stole your
2 thunder.

3 Now, the last comment letter we got was
4 from NEI. Again, I'll ask Felix to very quickly go
5 through his comments here and then we can discuss
6 them.

7 MR. KILLAR: Okay. I guess the first
8 comment or first concern is that we felt that the
9 plan, the communication plan is more robust and
10 overestimates the public interest. We felt that
11 it's fine to have all these various things captured
12 but to require these type of things is certainly an
13 over extension of what is necessary and needed.

14 Beyond that, I think getting to the
15 specific comments, the first one under the general
16 outline, the communication assumes reactor model.
17 The oversight would be imposed on fuel cycles.
18 We're not looking at the same process that was
19 implied for the reactor model. We're looking more
20 at an extension of the LPR process or enhancements
21 of the LPR process.

22 Talks about the strategies. Talks about a
23 formal custom communication plan for each licensee.

24 Most of the licensees do not even have a

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 communications person full-time on staff that they
2 rely on in their corporate office for general
3 corporate information and things on that line. I'm
4 looking at going, once again, into something that is
5 well beyond what the normal or practical
6 expectations were.

7 We do think there is value, though, in
8 having some type of general information available
9 that lays out this revised LPR process in plain
10 English that is available to the public. It could
11 be distributed at the site and things on that line.

12 There is some value in doing that.

13 In the key messages you'll note that we
14 looked at some suggestions on how to change some of
15 the wording. Eventually what we are trying to do
16 is, once again, establish that we have -- this goes
17 a little bit, I think, to what Mario was talking
18 about earlier.

19 Some of the words that are used in there
20 implies that we are creating a new system. We're
21 reducing unnecessary type things or what have you.
22 What we're trying to do is trying to make these
23 words more clear and explain what we're trying to do
24 and not give the public impression that the problem

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 is this thing is broken.

2 It's not broken. We're just making the
3 process better. When we talk about key messages,
4 that's what we're talking about there as far as what
5 we are trying to imply there.

6 As far as audience and activities -- let
7 me quickly see what we were trying to say here. One
8 of the things you already mentioned in Dave's
9 comments was the drop of the pilot program and the
10 potential audience of the NRC and external --
11 there's no problem with looking at both external and
12 internal audiences and stuff.

13 One of our concerns is that you can go out
14 there and draw every NRC employee to get a review or
15 overview of what this new program is and does that
16 really make sense. Once again, it's sort of an
17 overkill type thing and actually goes a little bit
18 into the next one, internal stakeholder activities
19 and what have you.

20 As far as tools, once again, the idea of a
21 nice simple plain English overview document that is
22 available for the public. We will certainly help to
23 distribute that.

24 Moving into Appendix A, once again, we

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 feel that the issue of the stakeholders is too
2 broadly defined. For instance, there are no FEMA
3 activities at the field site facilities and there's
4 no need to develop a new reg specific to these
5 facilities. We think you're spending more resources
6 than necessary.

7 Finally, the idea of having eight local
8 and 12 Washington public meetings to disseminate the
9 results and stuff is certainly more than would be
10 reasonably expected.

11 What we base this on is basically our
12 experience. You look at when we've had licensing
13 action, major licensing action and we've had the
14 opportunity for public meetings, public hearings,
15 license renewals, what have you and stuff. We had
16 zero interest at all.

17 Back a number of years ago when they did
18 the program to having the open public meetings on
19 the enforcement actions and what have you, we would
20 have a public meeting and there would be no one
21 there except the NRC and the licensee.

22 These facilities just gained very little
23 interest from the public. We have no problems with
24 conveying information to the public but just to have

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 meetings for the sake of having meetings to check a
2 box. We're not sure whether that's really going to
3 be valuable.

4 I think that's really where our thing is
5 at. You need to tone the communication plan down to
6 what the reasonable expectations are as far as
7 participation from the public.

8 MR. CASTLEMAN: Neill, you were the
9 primary author of the plan so I'm going to ask you
10 if you have any feedback on what Felix said.

11 MR. HOWEY: Actually, I'm listening. We
12 developed this plan in accordance with the
13 expectations that we heard early on. The idea was
14 to make it a very inclusive document that could be
15 whittled down to be custom made for each individual
16 facility based on their experience with the public
17 they deal with.

18 When there's a whole list of potential
19 stakeholders out there, for a contact where the
20 stakeholder initially says, "We have no interest in
21 this," off the list they go. If they do have some
22 interest but it isn't very much, find out how best
23 to communicate the information they desire to them
24 and mark it down and carry the thing out.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 It was never intended to be an all
2 inclusive thing or you had to do all of this but you
3 should touch these bases to make sure that we've
4 identified all the potential stakeholders out there
5 that might be interested in this process. It may
6 turn out to be none.

7 MR. CASTLEMAN: In which case then we
8 won't -- the scope of the follow-up that will be
9 required will be reduced as I understand it. So
10 essentially to use an analogy, this communications
11 plan identifies a whole bunch of trees that we need
12 to go around and shake.

13 Even though we expect, or some of our
14 stakeholders expect, that we won't get many cherries
15 dropping from the trees, we still need to go shake
16 them. If nothing falls out of the trees, then we
17 don't need to go back. That's kind of an over-
18 simplified analogy but I think that's what the
19 intent of the communications plan was.

20 MR. SCHILTHEM: I would suggest that to
21 the casual reader it does not read that way. It
22 reads as if this is a checklist of things to do in
23 order to be successful at a communication plan.

24 The presupposition that there will be

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 public meetings, if there's no interest, why have a
2 public meeting. Why go to that expense and
3 orchestrate it. I would suggest the way the plan is
4 written doesn't reflect what you just said to us as
5 readers.

6 MR. CASTLEMAN: Okay. So I guess in terms
7 of substance it sounds like we're closer in
8 agreement on the substance of the plan. Maybe we
9 just need to put in some proper clarifying language
10 or something like that.

11 How does that sound, Neill? Are you
12 hearing the same thing I'm hearing?

13 MR. HOWEY: Yeah. I think a key piece of
14 what we're missing is Appendix B of this plan which
15 was kind of an idea of a guideline on how to follow
16 through and make this thing work to where potential
17 stakeholders who are identified shaking the trees
18 and then identify which ones they are and how best
19 to communicate to them as well as publishing
20 brochures. If you don't think a new reg is needed,
21 well, then we just don't do it. Just eliminate
22 that. This was not supposed to be a recipe. It was
23 more like a cookbook.

24 MR. CASTLEMAN: Okay.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 MR. SCHILTHEM: In the untrained hand it
2 is a recipe.

3 MR. KILLAR: One comment we did put in
4 here that actually alludes a little bit to something
5 Dave was saying earlier. One of the things that
6 would be very helpful in these public meetings is
7 that if the NRC would have trained competent people
8 to conduct.

9 What we've seen in some of the meetings
10 that the NRC has had is that the NRC representative
11 is so concerned that he can't say anything for the
12 agency he doesn't say anything, in which case the
13 public goes off and says, "The NRC didn't answer my
14 questions."

15 You need to have someone that is able to
16 understand that he has to relate back to the
17 questionnaire saying, "Hey, I understand your
18 question. I don't have the information to answer it
19 with me but we'll get back with you," rather than
20 saying, "Well, the NRC position is," and he reads
21 the NRC's position.

22 Then the guy walks off and goes, "That
23 didn't answer my question. I knew that. I read
24 that before I came in here." You need to have some

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 trained NRC people to conduct these meetings that
2 know how to relate to the public.

3 MR. CASTLEMAN: That's a good comment.
4 That's going to be one that's going to be real hard
5 for me to respond to directly.

6 MR. SHERR: Actually, there is a course
7 that they almost have to be encouraged to take on
8 outreach, public meeting, communications. It's an
9 excellent course and is very much geared along those
10 lines.

11 MR. PHILLIPS: I think the real key is
12 answering the question. If you can't answer the
13 question, at least get back to people. I think
14 that's one of the comments that came of the December
15 20th Commission meeting. People don't get back with
16 people with the answer.

17 MR. KILLAR: I think it goes to -- I think
18 what Walt is trying to say is it goes to the
19 individual who is presenting that being able to
20 present that properly to the public so they
21 understand what he's saying.

22 MR. SCHWINK: So if the public says, "Oh,
23 my God. Am I safe," you can confidently answer that
24 question instead of saying, "I'll get back to you."

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 PARTICIPANT: Believe it or not, that was
2 a big issue that Pat and myself insisted was on the
3 LPR. You read this thing and, oh, my God, very
4 first page, "You conducted your activities in a safe
5 way." No ifs, ands, or buts. That's the first time
6 that's appeared in an LPR.

7 MR. HOWEY: What I hear is two parts of
8 this. One is people competent to conduct a meeting,
9 the structure of the meeting, technical people
10 available to answer the questions, and then the
11 proper feedback to get questions you can't answer
12 back to the people once the meeting is over.

13 Part of this was to get the Office of
14 Public Affairs involved in producing the brochures,
15 putting the public meeting agendas together, not
16 only at headquarters but at the regions where these
17 places are that deal with it on a regular basis. I
18 don't know if that satisfies --

19 MR. HIGHLAND: I'd offer, at least, the
20 public meetings in Region III the last two years.
21 We have gotten our public affairs officers involved
22 and they have contacted the companies and gotten
23 their public affairs people involved. I was taught
24 to hide behind the truth when I talk at a public

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 meeting.

2 We are always going to be asked questions
3 that just come out of left field and we were not
4 prepared to answer the question. It's our
5 obligation to get back to those individuals. I
6 think we've been fairly successful.

7 I need to ask Mr. Lochbaum if mine is the
8 meeting he wasn't called back on. I don't know. I
9 don't think it's any of those. What we do I think
10 has been very, very effective.

11 Mario, I don't know. You've been to a
12 couple, but i think over the last couple of years
13 utilizing the professionals. I know it's the public
14 affairs individuals.

15 We even came in there and conducted some
16 training for one of our public meetings, a recent
17 one. It worked very well. I think the
18 communications went well. I appreciate your comment
19 and certainly we need to do that. I think we're
20 getting better.

21 Is there any feedback on that? I mean, I
22 think we're getting a lot better than what we were
23 maybe a couple of years ago or three years ago. I
24 guess the one thing I haven't heard in your comments

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 that anyone addressed is I think I heard a
2 suggestion do we really need all these meetings.

3 I didn't hear anyone talk about how we
4 would assess that. Maybe we contact the
5 stakeholders and the public to see what is the real
6 interest. I appreciate what you're saying.

7 MR. SCHWINK: Augie Spector dealt with
8 that issue in the reactor program. He was here and
9 unfortunately left. The bottom line was they
10 decided to involve the local government and held the
11 meeting and some reactor sites they had as few as
12 five people attend and in other ones they had as
13 many as 40.

14 The issue that I think you're trying to
15 get at is not deciding for the public they're not
16 interested but making sure you get an effective way
17 to make them informed that there's an opportunity
18 for them to get involved. Then if they don't,
19 you're done.

20 If nobody shows up at a meeting, come the
21 next meeting, because NRR had a series, one before,
22 one during the process revision, and then here is
23 the end result. For the places that you have zero,
24 you have the first meeting and you're done.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 Augie Spector can give you some real
2 insights into that.

3 MR. HIGHLAND: I still haven't heard a
4 suggest as to how we would address your comment,
5 though.

6 MR. KILLAR: I think to address it, I
7 think possibly as Neill said, you've got to shake
8 the trees and if no fruit falls off, then you say,
9 there's no interest and we don't even need to have a
10 meeting here.

11 If you shake the trees and you only get
12 one response, you say do we need to have a meeting
13 or can we just sit down and talk to this guy over
14 the phone or do a video link or whatever to respond
15 to him rather than having a meeting. Now, if you
16 get 10 responses, then it seems worthwhile.

17 MR. AYRES: All that can be spelled out in
18 the implementation procedure.

19 MR. SCHWINK: We know we have at least one
20 meatloaf cooking lady that's interested. We just
21 have to have it in her kitchen.

22 MR. SCHILTHEM: Put this into perspective,
23 though. If you go shake the trees, think about
24 this. Tokaimura had a tragic accident awhile back.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 NRC didn't go shake any trees. Maybe they should
2 have but they didn't. The public says, "Okay.
3 Because the tree didn't get shaken, I'm going to
4 assume this facility is okay."

5 Now we have this really subtle change in
6 the oversight program from the perspective of the
7 public. NRC is still going to command. They are
8 going to oversee operations and make sure they're
9 safe. The public for the most part trust NRC to do
10 that adequately and is not going to delve into how
11 they're doing that.

12 Now you can go shake the trees and you had
13 this tragic event that you didn't go shake the trees
14 for and you're immediately putting the public on
15 alarm by going and even shaking the tree saying,
16 "Boy, this is a big deal." But you didn't do it for
17 something that really was a big deal.

18
19 Now, it's not an excuse. Sometime you've
20 got to start and I don't know what comes first.
21 Nobody went to the local community in Lynchburg,
22 Virginia, and said to them, "Hey, are you interested
23 in this? Are you interested in what happened in
24 Japan and our perspective on why it won't happen in

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 Lynchburg?" Nobody went to all these groups and
2 said, "If you are, we'll have a public meeting."
3 That didn't occur. Maybe it should have like you
4 said, Walt.

5 MR. SCHWINK: I think it should have.

6 MR. SCHILTHEM: But it didn't so now it's
7 almost a psychology issue. You're alarming the
8 public for something that is not a real issue where
9 you didn't for something that was. I think that's a
10 real problem.

11 MR. HIGHLAND: I think you've really got
12 to be careful in using your analogy. There's a lot
13 of reasons we didn't shake the trees. No. 1, and I
14 wasn't involved in it, but early on during the
15 dialogues with Congress and the industry, the
16 industry volunteered to go out and verify that all
17 these facilities were safe. They went out and they
18 didn't shake the trees. They chopped them down.
19 I'm a little bit concerned that you're using that as
20 an analogy.

21 MR. SCHILTHEM: We chopped them down but
22 we didn't do it with the public.

23 MR. SCHILTHEM: We did it with you and us.

24 MR. HIGHLAND: It was a very visible

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 activity at the facilities that I'm familiar with.

2 MR. SCHILTHEM: Not in the public
3 community in Lynchburg it wasn't.

4 MR. HIGHLAND: I'm just cautioning you
5 that you just can't throw this out as we don't shake
6 the trees. There's a lot of reasons we didn't shake
7 the trees and a lot of it was industry response.

8 MR. KILLAR: Going back to the tug of war,
9 we did go back and make the public aware. I
10 participated in a number of press conferences. I
11 was on national television. I was on local
12 television talking about safety facilities.

13 MR. SCHILTHEM: In
14 D.C.

15 MR. KILLAR: I was on national television
16 as well. We had an industry group that went around
17 and we had people who called up a number of the
18 facilities. We had film crews that went to a couple
19 of facilities and looked at them and stuff. They
20 had some local coverage but nowhere did any of the
21 public ask for a public meeting or anymore
22 information or anymore detail than what they were
23 given.

24 I do think Steve has a good point here in

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 that when you look at the reactor program, you were
2 taking a significant process change from how you
3 monitor or report results in the reactor program.
4 Here we're making a subtle change in the way an
5 enhancement of the process was done. We're not
6 making a significant change.

7 MR. HIGHLAND: I agree. I think that's
8 good. I'm reacting and maybe I got a little
9 emotional. I apologize. I'm reacting to, you know,
10 there were a lot of reasons why the NRC didn't shake
11 the trees. I hate to see that tossed out as an
12 analogy without going back.

13 PARTICIPANT: I think you're talking past
14 each other. He agrees that you challenged the site
15 but you didn't call the public around the site and
16 say, "We've looked at this problem here and we think
17 it's highly unlikely because..." That's what he's
18 saying. Yes, you did shake the trees. Every
19 facility got cross-examined.

20 MR. MOREY: We didn't do a public meeting
21 but we had a Commission meeting where we presented
22 results. I made two public presentations on it and
23 another employee made a public presentation on it at
24 national meetings. I don't know if that matters.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 MR. SCHWINK: You are missing his point.
2 Nobody went to Lynchburg and announced in the town
3 paper and on the public radio and the public TV that
4 NRC is going to have a meeting here to explain the
5 implications of the Japan event at BWXT. The
6 explanation would be we've cross-examined this and
7 there is a low likelihood of this happening here
8 because. We didn't do that.

9 MR. CASTLEMAN: I understand that. I want
10 to bring this to a close because we really have to
11 stop here.

12 MR. SHERR: Can I finish by making one
13 comment? Steve, I think you were suggesting this in
14 the context that by holding the meeting itself you
15 are alarming the public.

16 MR. SCHILTHEM: Absolutely.

17 MR. SHERR: That may be true but I think
18 how much you alarm the public may depend in terms of
19 how you present the information.

20 MR. SCHILTHEM: The fact that NRC is in
21 Lynchburg, you live in Washington and you can't even
22 understand the paradigm I'm coming from. I'm
23 serious.

24 MR. SHERR: I understand.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 MR. SCHILTHEM: You don't live where we
2 live so your perspective is entirely different. NRC
3 coming to Lynchburg and announcing it's going to
4 hold a public meeting will be a dramatic event in
5 Lynchburg.

6 MR. SCHWINK: We do that with LPRs.

7 MR. SCHILTHEM: The first one was dramatic
8 but we've gotten used to them.

9 MR. HOWEY: How about if you tell
10 Lynchburg that you're going to have a joint meeting
11 between your people and the NRC to introduce a new
12 process that --

13 MR. SCHILTHEM: Understand that we've
14 never held a public meeting in Lynchburg.

15 MR. SCHWINK: Why not?

16 MR. SCHILTHEM: We don't have a need to.
17 That's our business decision.

18 MR. CASTLEMAN: Steve, I do actually have
19 an appreciation. I was senior resident inspector at
20 a site in a small town in Wisconsin and I am very
21 familiar with the sensitivity of NRC's arrival in
22 town being announced in the local paper. It does
23 cause a little bit of interest but it doesn't cause
24 a general outcry of alarm. I think Ted hit the nail

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 on the head.

2 Another thing is we have a consistency
3 issue here and that is one of the things we're
4 trying to do is enhance public awareness and enhance
5 transparency in this process. If we're going to do
6 that, one of the things we have to do is actually
7 bet the process and just let people go. Let people
8 know what we're doing and why we're doing it.

9 As part of that, I think that we probably
10 ought to have the facilities be co-presenters and we
11 can basically make a statement and say, hey, the
12 last LPR at this facility said they were operating
13 safely.

14 This is not about this facility's specific
15 performance. This is about what the NRC is doing,
16 why the NRC is doing it and to highlight to the
17 public ways that the public will be able to have
18 access to the information. That's pretty much all
19 we're trying to do with this.

20 MR. SCHWINK: Dave, don't you have some
21 insight of how you've been able to get local
22 interest in UCS activities?

23 MR. LOCHBAUM: Generally it's reacting to
24 something the industry helps us out with. I guess

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 what I was going to suggest was instead of having a
2 meeting just on the process, we should -- the worse
3 we've ever put out was one on the process. It was
4 like people who are convicts and people that don't
5 have free reign of their time were the only people
6 who wanted to read the thing.

7 It would be tough to hold a meeting on a
8 process. I agree with Felix and Steve on that. It
9 might be better to roll it into the next LPR, the
10 next scheduled meeting you're going to have and
11 explain at the front end the process we use to come
12 up with these scores and these conclusions.

13 MR. SCHILTHEM: That's the best suggestion
14 I've heard today.

15 MR. KILLAR: We agree.

16 MR. CASTLEMAN: I think that was a good
17 comment. I don't want to get into a philosophy. I
18 appreciate everything you're saying, Walt, but I
19 think Dave's proposal might be something we can do.

20 What do you think, Neill?

21 MR. HOWEY: It sounds like there's two key
22 pieces here. I think Dave had a good comment too.
23 This is the first chance I've had to look at the
24 SECY paper but it looks like the Commission is very

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 interested in the process of keeping the public
2 informed through public meetings. We probably need
3 to look at that overall and see how this will fit
4 into that.

5 MR. CASTLEMAN: Okay. It's now 1:18 and I
6 think people's stomachs are probably growling.
7 Rather than get flowery, I'm just going to ask does
8 anybody have anything else that they want to put on
9 the table? This is not forever hold your peace.

10 You can always shoot me an e-mail, call me up, etc.

11 This is not the end but only the beginning of
12 moving forward.

13 MR. SCHWINK: I just want to tell you guys
14 I really miss you.

15 MR. SHERR: Again, we would much
16 appreciate your filling out the feedback form and
17 providing that to us. That will help us in our
18 future meetings. If you are unable to do it right
19 now, actually we could put a box here for those of
20 you that are going to be here for this afternoon's
21 meeting or, if worse comes to worse, they can be
22 mailed to NRC. We are happy to collect any forms
23 that are available now.

24 MR. CASTLEMAN: Any other comments? Thank

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 you all for showing up. It was a pleasure and good
2 luck and God's speed. Looking forward to working
3 with you guys soon. Thanks very much.

4 (Whereupon, at 1:19 p.m. the meeting was
5 concluded.)
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1
2
3
4

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com